NUVO RESEARCH INC.

MANAGEMENT INFORMATION CIRCULAR

and

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

to be held on February 18, 2016

relating to a Plan of Arrangement involving
Nuvo Research Inc., its shareholders and Crescita Therapeutics Inc.

December 31, 2015

This document is important and requires your immediate attention. If you are in doubt as to how to deal with these materials or the matters they describe, please consult your investment advisor, lawyer, tax advisor or other professional advisors. You may also call Investor Relations at 905-673-6980 or 1-888-398-3463.

December 31, 2015

Dear fellow shareholders:

It is our pleasure to invite you to attend the special meeting of shareholders of Nuvo Research Inc. to be held at the International Plaza Hotel, 655 Dixon Road, Toronto, Ontario, M9W 1J3 on February 18, 2016 at 9:00 a.m. (Eastern Time).

As we initially announced on September 15, 2015, our Board of Directors unanimously approved in principle the reorganization of Nuvo into two separate publicly-traded companies that we believe will be better able to pursue independent strategies and opportunities for growth and ultimately enhance long-term value for shareholders. If implemented, the reorganization would result in Nuvo (which would be renamed Nuvo Pharmaceuticals Inc.) becoming a revenue and EBITDA generating commercial healthcare company, and the creation of a new drug development company (to be named Crescita Therapeutics Inc.) with a diversified pipeline of product candidates and sufficient cash resources to execute its current business plan for the next 24 months.

Since the September 15 announcement, the Board of Directors, with the assistance of management and Nuvo's financial and legal advisors, have continued to evaluate the transaction. As a result of that process, on December 14, 2015, the Board of Directors unanimously concluded that the transaction is in the best interest of Nuvo and is fair to its shareholders and is unanimously recommending that shareholders **VOTE FOR** the transaction and the other related matters to be considered at the meeting described in the accompanying management information circular. The Board of Directors is making this recommendation for the following reasons (among others):

- The reorganization will provide shareholders with independent investment opportunities in a commercial healthcare company (Nuvo) and a drug development company (Crescita).
- Following closing, shareholders will own 100% of the outstanding shares of each of Nuvo and Crescita and over time it is expected that Nuvo and Crescita will enhance their ability to attract investors who are aligned with their respective business strategies.
- The reorganization will permit each company to pursue independent business strategies best suited to their respective business plans, and allow them to pursue opportunities in their respective markets.
- The establishment of separate public companies is expected to allow investors, analysts and potential strategic partners to more accurately compare and evaluate each company on a stand-alone basis.
- It is expected that over time the separate companies will, in the aggregate, achieve a higher long-term valuation compared to the valuation that would be accorded if all of Nuvo's assets continued to be held within the same company.
- Each company will be led by experienced directors and executives who have demonstrated success building Nuvo.
- The transaction will generally occur on a tax-deferred basis for Shareholders resident in Canada who hold their Nuvo Common Shares as capital property.

Following this letter is the formal notice of the meeting and management information circular. The circular provides important information about the matters to be voted on at the meeting, the details of the transaction (including conditions to its completion), information about Nuvo and Crescita and their respective businesses following completion of the transaction, the detailed reasons for the Board of Directors' recommendation of the transaction, certain risks associated with the transaction and the risks of an investment in Nuvo and Crescita as separate companies if the transaction is completed, the tax consequences of the transaction to Canadian shareholders, and certain potential tax consequences to U.S. shareholders. Please read the circular carefully and consult with your advisors before you cast your vote.

Your vote is extremely important. In order for the transaction to proceed, it must be approved by two-thirds of the votes cast by shareholders voting (in person or by proxy) at the meeting. **Given the importance of the matters to be considered at the meeting,**

we urge you to <u>VOTE FOR</u> the transaction and the other matters described in the accompanying notice of the meeting by promptly submitting the enclosed form of proxy or otherwise providing your voting instructions as soon as possible in accordance with the instructions and before the deadlines specified in the circular. If you have any questions about how to vote, please immediately contact CST Trust Company, Nuvo's transfer agent, at 1-800-387-0825 (toll-free North America) or 416-682-3860 (local Toronto and international) or by sending an e-mail to inquiries@canstockta.com.

Completion of the transaction is also subject to certain other conditions, including the approval of the Ontario Superior Court of Justice and the receipt of all required consents and approvals. If the transaction is approved by shareholders and all other conditions are satisfied, Nuvo expects the transaction to be completed in Q1 2016. However, there can be no assurances regarding the ultimate timing of the transaction or that the transaction will be completed at all.

On behalf of Nuvo's Board of Directors, I would like to thank you for your continued support of Nuvo and your future support of Crescita.

Yours very truly,

Daniel Chicoine
Chairman and Co-Chief Executive Officer
Nuvo Research Inc.

John London
President and Co-Chief Executive Officer
Nuvo Research Inc.

NOTICE OF SPECIAL MEETING
OF SHAREHOLDERS OF NUVO RESEARCH INC.

NOTICE IS HEREBY GIVEN that a special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Nuvo Common Shares**") of Nuvo Research Inc. ("**Nuvo**" or the "**Corporation**") will be held at the International Plaza Hotel, 655 Dixon Road, Toronto, Ontario, M9W 1J3 on February 18, 2016 at 9:00 a.m. (Eastern Time) for the following purposes:

(a) to consider, pursuant to an order (the "**Interim Order**") of the Ontario Superior Court of Justice dated January 7, 2016, and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is set forth in Appendix A to the accompanying Management Information Circular, approving an arrangement (the "**Arrangement**") under section 182 of the *Business Corporations Act* (Ontario) (the "**OBCA**") involving Nuvo, the Shareholders, 2487002 Ontario Limited ("**Subco**") and 2487001 Ontario Limited ("**Holdco**"), pursuant to the plan of arrangement (the "**Plan of Arrangement**") attached as Appendix G to the accompanying Management Information Circular, pursuant to which, among other things, Shareholders will receive one new common share of Nuvo and one common share of a new public company called "Crescita Therapeutics Inc." ("**Crescita**") in exchange for each Nuvo Common Share held (as described in the accompanying Management Information Circular);

(b) if the Arrangement Resolution is passed, to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, the full text of which is set forth in Appendix B to the accompanying Management Information Circular, approving the treatment of Nuvo's outstanding deferred share units and share appreciation rights under the Plan of Arrangement;

(c) if the Arrangement Resolution is passed, to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, the full text of which is set forth in Appendix C to the accompanying Management Information Circular, approving a share incentive plan (substantially in the form set forth in Appendix N to the accompanying Management Information Circular) for Crescita, the corporation resulting from the amalgamation of Subco and Holdco pursuant to the Arrangement;

(d) if the Arrangement Resolution is passed, to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, the full text of which is set forth in Appendix D to the accompanying Management Information Circular, approving a shareholder rights plan agreement (substantially in the form set forth in Appendix O to the accompanying Management Information Circular) for Crescita, to take effect immediately following completion of the Arrangement;

(e) if the Arrangement Resolution is passed, to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, the full text of which is set forth in Appendix E to the accompanying Management Information Circular, approving an amendment to the share incentive plan of Nuvo (the "**Nuvo Incentive Plan**") to provide that the aggregate maximum percentage of Nuvo Common Shares made available for, and reserved for issuance under, the Nuvo Incentive Plan will remain unchanged at 15% of the total number of Nuvo Common Shares outstanding from time to time, and the allocation of such maximum percentage among the three sub-plans comprising the Nuvo Incentive Plan shall be determined by the Board of Directors of Nuvo (or a committee thereof) from time to time (provided that the maximum number of Nuvo Common Shares that may be issued under the Nuvo Bonus Plan shall not exceed a fixed number of Nuvo Common Shares equal to 3% of the number of Nuvo Common Shares outstanding immediately following the Arrangement Time);

(f) to consider and, if deemed advisable, to pass with or without variation, an ordinary resolution, the full text of which is set forth in Appendix F to the accompanying Management Information Circular, to approve certain amendments to By-Law Number 1 of the Corporation (as shown in the compared version of such by-law set forth in Appendix Q to the accompanying Management Information Circular), which are intended to better align the Corporation's existing by-law with the current requirements of the OBCA and to reflect customary practices of other publicly-traded companies; and

(g) to transact such further or other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Specific details of the matters to be put before the Meeting are set forth in the accompanying Management Information Circular.

Only holders of Nuvo Common Shares of record at the close of business on January 5, 2016 will be entitled to vote at the Meeting, or any adjournment(s) or postponement(s) thereof.

Under the Plan of Arrangement, the Interim Order and section 185 of the OBCA (as modified by the Interim Order), registered holders of Nuvo Common Shares have the right to dissent in respect of the Arrangement Resolution and, if the Arrangement becomes

effective, to be paid the fair value of their Nuvo Common Shares in accordance with the Plan of Arrangement, the Interim Order and section 185 of the OBCA (as modified by the Interim Order). This right of dissent is described in the accompanying Management Information Circular. **Shareholders who wish to dissent and who fail to strictly comply with the dissent procedures set out in the accompanying Management Information Circular may lose any right of dissent. Beneficial owners of Nuvo Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that ONLY A REGISTERED OWNER OF NUVO COMMON SHARES IS ENTITLED TO EXERCISE RIGHTS OF DISSENT**.

If you are a registered Shareholder and are unable to attend the Meeting in person, please exercise your right to vote by completing, signing, dating and returning the enclosed form of proxy to CST Trust Company, Attention: Proxy Department in the accompanying envelope by mail at P.O. Box 721, Agincourt, Ontario M1S 0A1, or by facsimile: 1-866-781-3111 or 416-368-2502, or by email: proxy@canstockta.com. In order to be valid for use at the Meeting, proxies must be received by CST Trust Company at or prior to 5:00 p.m. (Eastern Time) on February 16, 2016 or, if the Meeting is adjourned or postponed, not later than 5:00 p.m. (Eastern Time) on the day which is two business days preceding the date of the adjourned or postponed Meeting, or any further adjournment or postponement thereof. If you have any questions about how to vote, please immediately contact CST Trust Company, Nuvo's transfer agent, at 1-800-387-0825 (toll-free North America) or 416-682-3860 (local Toronto and international) or by sending an e-mail to inquiries@canstockta.com.

If you are a *non-registered Shareholder*, please complete and return these materials in accordance with the instructions provided to you by your broker or other intermediary. If you are a non-registered Shareholder and do not complete and return the materials in accordance with those instructions, you may lose the right to vote at the Meeting, either in person or by proxy.

Further information with respect to voting is included in the accompanying Management Information Circular.

By order of the Board of Directors,

Mississauga, Ontario
December 31, 2015

Daniel Chicoine
Chairman and Co-Chief Executive Officer

MANAGEMENT INFORMATION CIRCULAR

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APPENDICES

NOTICE TO READERS

This Management Information Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of Nuvo for use at the Meeting and any adjournment(s) or postponement(s) thereof for the purposes set forth in the accompanying Notice of Meeting and in this Management Information Circular. In this Management Information Circular, references to "we", "us" and "our" are references to Nuvo. All capitalized terms used in this Management Information Circular but not otherwise defined herein have the meanings set forth under "*Glossary of Terms*". Except where otherwise expressly noted, information in this Management Information Circular is given as of December 31, 2015.

THE ARRANGEMENT

All summaries of, and references to, the Arrangement in this Management Information Circular are qualified in their entirety by reference to the complete text of the Plan of Arrangement, a copy of which is attached as Appendix G to this Management Information Circular. **You are urged to carefully read the full text of the Plan of Arrangement.** Further details of the Arrangement are contained in the section entitled "*The Arrangement*".

VOTING AND PROXIES

Further information as to voting and proxies is contained in the section of this Management Information Circular entitled "*Voting Information and General Proxy Matters*".

CURRENCY

All dollar references in this Management Information Circular are in Canadian dollars unless otherwise indicated.

PRESENTATION OF FINANCIAL INFORMATION

This Management Information Circular includes references to "total operating expenses" and "loss from operations". Neither of these measures are measurements calculated in accordance with IFRS and they should not be considered as an alternative to net income or any other measure of performance calculated in accordance with IFRS. Similarly titled measures presented by other companies may have a different meaning and may not be comparable. For a description of why these measures are presented, see the section entitled "Non-IFRS Financial Measures" in the management's discussion and analysis filed in connection with the Nuvo Annual Financial Statements incorporated by reference herein.

INFORMATION CONTAINED IN THIS MANAGEMENT INFORMATION CIRCULAR

Certain information in this Management Information Circular has been taken from or is based on documents that are expressly referred to in this document. All summaries of, and references to, documents that are specified in this document as having been filed, or that are contained in documents specified as having been filed, on SEDAR are qualified in their entirety by reference to the complete text of those documents as filed, or as contained in documents filed, under Nuvo's profile at www.sedar.com, as applicable. Shareholders are urged to read carefully the full text of those documents, which may also be obtained upon request and without charge from the Corporation's Investor Relations Department at 7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4 or by facsimile at: 1-905-673-1842.

INFORMATION FOR UNITED STATES SHAREHOLDERS

The securities to be issued to Shareholders pursuant to the Arrangement described in this Management Information Circular have not been and will not be registered under the 1933 Act or any state securities laws, and are being issued in reliance on the exemption from registration under the 1933 Act set forth in Section 3(a)(10) thereof. Section 3(a)(10) of the 1933 Act provides an exemption from registration under the 1933 Act for offers and sales of securities issued in exchange for one or more outstanding securities where the terms and conditions of the issuance and exchange of such securities have been approved by a court authorized to grant such approval after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on January 7, 2016 and, subject to the approval of the Arrangement by the Shareholders at the Meeting on February 18, 2016, it is expected that the hearing on the Arrangement will be held on February 24, 2016 at 10:00 a.m. (Eastern Time) at the Ontario Superior Court of Justice in Toronto at 330 University Avenue, 7th Floor, Toronto, Ontario, M5G 1R7. All Shareholders are entitled to appear and be heard at this hearing. The Final Order will constitute a basis for the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof with respect to the securities to be issued pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order. See "*The Arrangement — Approvals and Other Conditions Precedent to the Arrangement — Court Approval*" in this Management Information Circular.

The solicitation of proxies for the Meeting made pursuant to this Management Information Circular is not subject to the requirements of Section 14(a) of the 1934 Act by virtue of an exemption applicable to foreign private issuers (as defined in Rule 3b-4 under the 1934 Act). The securities to be issued to Shareholders pursuant to the Arrangement described in this Management Information Circular will not be listed for trading on any United States stock exchange or registered under the 1934 Act. Accordingly, this Management Information Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the 1933 Act and proxy statements under the 1934 Act.

The financial statements and *pro forma* and historical financial information included or incorporated by reference in this Management Information Circular have been prepared in accordance with IFRS and are subject to Canadian auditing standards and auditor independence standards and thus are not comparable in all respects to financial statements prepared in accordance with United States GAAP and subject to standards of the Public Company Accounting Oversight Board. Likewise, information concerning the operations of Nuvo and Crescita and their respective Subsidiaries contained herein has been prepared in accordance with IFRS disclosure standards, which are not comparable in all respects to United States disclosure standards.

The enforcement by investors of civil liabilities under the United States securities laws may be adversely affected by the fact that Nuvo and Crescita and their respective Subsidiaries are organized under the laws of jurisdictions outside the United States, that most of their officers and directors are residents of countries other than the United States, that the experts named in this Management Information Circular are residents of countries other than the United States and that the majority of the assets of Nuvo and Crescita and their respective Subsidiaries and substantially all of the assets of such persons are located outside the United States. As a result, it may be difficult or impossible for Shareholders in the United States to effect service of process within the United States upon Nuvo or Crescita, their respective officers or directors or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States. In addition, Shareholders in the United States should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States.

For tax considerations applicable to United States Shareholders see "*Certain Income Tax Consequences — Certain U.S. Federal Income Tax Consequences to Shareholders*".

The securities to be issued Shareholders pursuant to the Arrangement will be freely transferable under U.S. federal securities laws, except by persons who are "affiliates" (as such term is understood under U.S. securities laws) of Nuvo and Crescita after the Arrangement Date, or were "affiliates" of Nuvo and Crescita within 90 days prior to the Arrangement Date. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of such securities by such an affiliate (or former affiliate) may be subject to the registration requirements of the 1933 Act, absent an exemption therefrom. See "*The Arrangement — Approvals and Other Conditions Precedent to the Arrangement — Securities Law Matters – United States Securities Laws*".

NONE OF THE ARRANGEMENT, THIS MANAGEMENT INFORMATION CIRCULAR OR THE SECURITIES ISSUABLE PURSUANT TO THE ARRANGEMENT HAVE BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY IN ANY STATE OF THE UNITED STATES, NOR HAS ANY OF THE FOREGOING AUTHORITIES OR ANY CANADIAN

SECURITIES COMMISSION PASSED UPON OR ENDORSED THE MERITS OF THE ARRANGEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

FORWARD-LOOKING INFORMATION

This Management Information Circular includes and incorporates statements that are prospective in nature that constitute forward-looking information and/or forward-looking statements within the meaning of applicable securities laws (collectively, "**forward-looking statements**"). Forward-looking statements include, but are not limited to, statements concerning the completion and proposed terms of, and matters relating to, the Arrangement and the expected timing related thereto, the taxable nature of the Arrangement, the expected operations, financial results and condition of Nuvo and Crescita following the Arrangement, each company's future objectives and strategies to achieve those objectives, the future prospects of each company as an independent company, the listing or continued listing of each company on the TSX, the estimated cash flow, capitalization and adequacy thereof for each company following the Arrangement, the expected benefits of the Arrangement to Shareholders and each company, the anticipated effects of the Arrangement, the estimated costs of the Arrangement, the satisfaction of the conditions to consummate the Arrangement, the expected terms of the Separation Agreement and other intercompany arrangements, as well as other statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events.

Forward-looking statements reflect management's current beliefs, expectations and assumptions and are based on information currently available to management, management's historical experience, perception of trends and current business conditions, expected future developments and other factors which management considers appropriate. With respect to the forward-looking statements included in or incorporated into this Management Information Circular, we have made certain assumptions with respect to, among other things, the anticipated approval of the Arrangement by Shareholders and the Court, the anticipated receipt of any required regulatory approvals and consents (including the final approval of the TSX), the expectation that each of Nuvo, Holdco, Subco and Crescita will comply with the terms and conditions of the Arrangement Agreement, the expectation that no event, change or other circumstance will occur that could give rise to the termination of the Arrangement Agreement, that no unforeseen changes in the legislative and operating framework for the respective businesses of Nuvo and Crescita will occur, that each company will meet its future objectives and priorities, that each company will have access to adequate capital to fund its future projects and plans, that each company's future projects and plans will proceed as anticipated, as well as assumptions concerning general economic and industry growth rates, commodity prices, currency exchange and interest rates and competitive intensity.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve known and unknown risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated by such statements. Factors that could cause such differences include, but are not limited to: the potential benefits of the Arrangement not being realized; the potential for the combined trading prices of Nuvo Common Shares and Crescita Common Shares after the Arrangement being less than the trading price of Nuvo Common Shares immediately prior to the Arrangement; there being no established market for the Post-Arrangement Nuvo Common Shares or the Crescita Common Shares; the potential inability or unwillingness of current Shareholders to hold Nuvo Common Shares and/or Crescita Common Shares following the Arrangement; Nuvo's ability to delay or amend the implementation of all or part of the Arrangement or to proceed with the Arrangement even if certain consents and approvals are not obtained on a timely basis; obtaining approvals and consents, or satisfying other requirements, necessary or desirable to permit or facilitate completion of the Arrangement; future factors that may arise making it inadvisable to proceed with, or advisable to delay, all or part of the Arrangement; indemnity obligations that Nuvo and Crescita will owe to each other following the Arrangement; the reduced diversity of Nuvo and Crescita as separate companies; the costs related to the Arrangement that must be paid even if the Arrangement is not completed; the risk that Nuvo or Crescita may default in its obligations under the Separation Agreement and/or ancillary agreements; and general business and economic uncertainties and adverse market conditions. For a further description of these and other factors that could cause actual results to differ materially from the forward-looking statements included in or incorporated into this Management Information Circular, see the risk factors discussed under "*Risk Factors*" in this Management Information Circular as well as the risks factors included in the Corporation's Annual Information Form for the year ended December 31, 2014 and as described from time to time in the reports and disclosure documents filed by the Corporation with Canadian securities regulatory agencies and commissions and under the heading "*Risk Factors*" in Appendix M. This list is not exhaustive of the factors that may impact the Corporation's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on the Corporation's forward-looking statements. As a result of the foregoing and other factors, there can be no assurance that actual results will be consistent with these forward-looking statements.

All forward-looking statements included in and incorporated into this Management Information Circular are qualified by these cautionary statements. The forward-looking statements contained herein are made as of the date of this Management Information Circular and except as required by applicable law, the Corporation and Crescita undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Readers are cautioned that the actual results achieved will vary from the information provided herein and that such variations may be material. Consequently, there are no representations by Nuvo or Crescita that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements. Reference should also be made to the section entitled "*Forward-Looking Information*" in Appendix M.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Management Information Circular, including the summary hereof.

"**1933 Act**" means the *United States Securities Act of 1933*, as amended.

"**1934 Act**" means the *United States Securities Exchange Act of 1934*, as amended.

"**Acceleration Feature**" has the meaning given to it under the heading "*The Arrangement – Treatment of Nuvo Warrants and Nuvo Broker Warrants*".

"**Affiliate**" means, when describing a relationship between two Persons, that either one of them is under the direct or indirect control of the other, or each of them is directly or indirectly controlled by the same Person; provided that, for purposes of this Management Information Circular, (a) prior to the completion of the events and transactions described in Section 2.3 of the Plan of Arrangement, an "Affiliate" of Nuvo will include Holdco and Subco and their respective Subsidiaries and an "Affiliate" of Holdco and Subco will include Nuvo and its Subsidiaries, and (b) from and after the completion of the events and transactions described in Section 2.3 of the Plan of Arrangement, an "Affiliate" of Nuvo will not include Holdco, Subco or Crescita or any of their respective Subsidiaries and an "Affiliate" of Holdco, Subco and Crescita will not include Nuvo or any of its Subsidiaries.

"**allowable capital loss**" has the meaning given to it under the heading "*Certain Income Tax Consequences – Certain Canadian Federal Income Tax Consequences to Shareholders – Shareholders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

"**Amended and Restated Nuvo By-Law**" means By-Law Number 1, as amended and restated pursuant to the Amended and Restated By-Law Number 1 of the Corporation, in the form attached as Appendix Q.

"**Amended and Restated Nuvo Incentive Plan**" means the Nuvo Incentive Plan, as amended and restated pursuant to the Plan of Arrangement, substantially in the form attached as Exhibit II to the Plan of Arrangement included in Appendix G.

"**Amended and Restated Nuvo SARs Plan**" means the Nuvo SARs Plan, as amended and restated pursuant to the Plan of Arrangement, substantially in the form attached as Exhibit IV to the Plan of Arrangement included in Appendix G.

"**Aon**" has the meaning given to it under the heading "*The Arrangement – Background to the Arrangement*".

"**API**" has the meaning given to it under the heading "*Risk Factors – Risks Relating to Nuvo Following the Arrangement – Manufacturing and Supply Risks*".

"**Arrangement**" means the proposed arrangement pursuant to the provisions of section 182 of the OBCA on the terms set forth in the Plan of Arrangement, subject to any amendment or supplement thereto made in accordance with the Arrangement Agreement, the Plan of Arrangement or at the direction of the Court.

"**Arrangement Agreement**" means the arrangement agreement dated December 14, 2015 between Nuvo, Subco and Holdco relating to the Arrangement, as may be amended, supplemented or otherwise modified from time to time.

"**Arrangement Date**" means the effective date of the Arrangement, being the date shown on the Certificate of Arrangement.

"**Arrangement Resolution**" means the special resolution of Shareholders approving the Plan of Arrangement as required by the OBCA and the Interim Order, in the form attached as Appendix A, as it may be amended or varied at or at any time prior to the Meeting.

"**Arrangement Time**" means 12:10 a.m. (Eastern Time) on the Arrangement Date.

"**Articles of Arrangement**" means the articles of arrangement of Nuvo in respect of the Arrangement in the form required by the OBCA to be sent to the OBCA Director following the issuance of the Final Order.

"**asset test**" has the meaning given to it under the heading "*Certain Income Tax Consequences – Certain U.S. Federal Income Tax Consequences to Shareholders – Consequences of Holding and Disposing of Nuvo Common Shares or Crescita Common Shares (Post-Arrangement) – PFIC Rules*".

"**Bloom Burton**" means Bloom Burton & Co., financial advisor to Nuvo in connection with the Arrangement.

"**Board**" or "**Board of Directors**" means the Board of Directors of Nuvo.

"**Business Day**" means a day, other than a Saturday, Sunday or statutory or civic holiday in Ontario, when banks are generally open for the transaction of business in Toronto, Ontario.

"**Butterfly Proportion**" means an amount equal to the fraction (A)/(B) where:

(A) is the volume weighted average trading price of the Crescita Common Shares on the TSX for the first five trading days commencing on the date upon which the Crescita Common Shares commence trading on the TSX following the completion of the Arrangement; and

(B) is the sum of the amount determined under (A) above, plus the volume weighted average trading price of the Post-Arrangement Nuvo Common Shares on the TSX for the first five trading days commencing on the date upon which the Post-Arrangement Nuvo Common Shares commence trading on the TSX without any entitlement to the Crescita Common Shares.

"**By-Law Number 1**" means By-Law Number 1 of the Corporation.

"**Canada-U.S. Tax Convention**" has the meaning given to it under the heading "*Certain Income Tax Consequences – Certain U.S. Federal Income Tax Consequences to Shareholders – Scope of this Disclosure – Authorities*".

"**Certificate of Arrangement**" means the Certificate of Arrangement to be issued by the OBCA Director under the OBCA giving effect to the Arrangement.

"**CHADD**" has the meaning given to it under the heading "*Nuvo Following the Arrangement – Business – HLT Patch*".

"**CIS**" means the Community of Independent States.

"**CMO**" has the meaning given to it under the heading "*Nuvo Following the Arrangement – Business – HLT Patch*".

"**Code**" has the meaning given to it under the heading "*Certain Income Tax Consequences – Certain U.S. Federal Income Tax Consequences to Shareholders – Scope of this Disclosure – Authorities*".

"**control**" means that a Person has the power to direct or cause the direction of the management and policies of another Person, whether through holding a beneficial ownership interest in such other Person, through contract or otherwise.

"**Corporation**" or "**Nuvo**" means, prior to the completion of the transactions set forth in Section 2.3(r) of the Plan of Arrangement, Nuvo Research Inc., an OBCA corporation, and from and after the completion of the transactions set forth in Section 2.3(r) of the Plan of Arrangement, Nuvo Pharmaceuticals Inc., an OBCA corporation.

"**Court**" means the Ontario Superior Court of Justice.

"**CRA**" means the Canada Revenue Agency.

"**Crescita**" means, from and after the amalgamation of Subco and Holdco pursuant to the Arrangement, Crescita Therapeutics Inc., an OBCA corporation resulting from that amalgamation, and, at any time prior to that amalgamation, Holdco.

"**Crescita Annual Combined Financial Statements**" means the audited combined financial statements of Crescita for the years ended December 31, 2014, 2013 and 2012, together with the notes thereto, attached as Schedule "A" of Appendix M.

"**Crescita Arrangement Options**" means the Crescita Options to be granted pursuant to Section 2.3(h) of the Plan of Arrangement.

"**Crescita Arrangement SARs**" means the share appreciation rights to be granted under the Crescita SARs Plan pursuant to Section 2.3(k) of the Plan of Arrangement.

"**Crescita Board**" means the Board of Directors of Crescita.

"**Crescita CCGN Committee**" means the Compensation, Corporate Governance and Nominating Committee of the Crescita Board.

"**Crescita Common Shares**" means, prior to the amalgamation of Subco and Holdco pursuant to the Arrangement, the common shares in the capital of Holdco and, from and after the amalgamation of Subco and Holdco pursuant to the Arrangement, the common

shares in the capital of Crescita having the terms and conditions set out in Exhibit VII to the Plan of Arrangement, to be issued under the Arrangement to Participating Shareholders, and includes, unless the context otherwise requires, the rights issued pursuant to the Crescita Rights Plan and attached to such common shares.

"**Crescita Incentive Plan**" means Crescita's share incentive plan, substantially in the form attached as Appendix N, to be considered pursuant to the Crescita Incentive Plan Resolution.

"**Crescita Incentive Plan Resolution**" means the ordinary resolution approving the Crescita Incentive Plan, in the form attached as Appendix C, as it may be amended or varied at or at any time prior to the Meeting.

"**Crescita Interim Combined Financial Statements**" means the unaudited combined interim financial statements of Crescita for the three and nine months ended September 30, 2015 and 2014, together with the notes thereto, attached as Schedule "A" of Appendix M.

"**Crescita Option Holder**" means a person who holds a Crescita Option.

"**Crescita Option Plan**" means Crescita's share option plan that will form part of the Crescita Incentive Plan.

"**Crescita Options**" means the options to purchase Crescita Common Shares granted under the Crescita Option Plan (including the Crescita Arrangement Options).

"**Crescita Rights Plan**" means the rights agreement of Crescita, substantially in the form attached as Appendix O, to be considered pursuant to the Crescita Rights Plan Resolution.

"**Crescita Rights Plan Resolution**" means the ordinary resolution approving the Crescita Rights Plan, in the form attached as Appendix D, as it may be amended or varied at or at any time prior to the Meeting.

"**Crescita SARs Plan**" means Crescita's share appreciation rights plan, substantially in the form attached as Appendix P, that Crescita will assume and become subject pursuant to Section 2.3j of the Plan of Arrangement.

"**Crescita Shareholders**" means the holders of Crescita Common Shares at the applicable time.

"**CST Trust Company**" means CST Trust Company at its offices in Toronto, Ontario, in its capacity as registrar and transfer agent for the Nuvo Common Shares.

"**Demand for Payment**" has the meaning given to it under the heading "*The Arrangement – Dissenting Shareholders' Rights*".

"**Dissenting Non-Resident Shareholder**" has the meaning given to it under the heading "*Certain Income Tax Consequences – Certain Canadian Federal Income Tax Consequences to Shareholders – Shareholders Not Resident in Canada – Dissenting Non-Resident Shareholders*".

"**Dissenting Resident Shareholder**" has the meaning given to it under the heading "*Certain Income Tax Consequences – Certain Canadian Federal Income Tax Consequences to Shareholders – Shareholders Resident in Canada – Dissenting Resident Shareholders*".

"**Dissenting Shareholder**" means a Registered Shareholder that complies with the Dissent Procedures to exercise his, her or its Dissent Right and has not withdrawn such dissent prior to the Arrangement Time.

"**Dissent Notice**" has the meaning given to it under the heading "*The Arrangement – Dissenting Shareholders' Rights*".

"**Dissent Procedures**" means the dissent procedures set forth in the Plan of Arrangement, the Interim Order and Section 185 of the OBCA (as modified by the Interim Order), as described under "*The Arrangement – Dissenting Shareholders' Rights*".

"**Dissent Right**" means the right of dissent which each Dissenting Shareholder is entitled to exercise in respect of the Arrangement Resolution in strict compliance with the Dissent Procedures.

"**Distribution Record Date**" means the close of business on the second trading day on the TSX following the Arrangement Date or such other date as the Board and the Board of Directors of Crescita may select.

"**DMF**" has the meaning given to it under the heading "*Risk Factors – Risks Relating to Nuvo Following the Arrangement – Manufacturing and Supply Risks*".

"**DMSO**" has the meaning given to it under the heading "*Nuvo Following the Arrangement – Business – Pennsaid*".

"**Drug Development Business**" means the businesses currently carried on by Nuvo and its Affiliates other than the Specialty Pharmaceutical Business, and includes, among other things, its immunology group and the topical product pipeline and technologies, and all the assets and liabilities pertaining thereto held by any of Nuvo or its Affiliates immediately prior to the Arrangement Time. For greater certainty, the Drug Development Business does not include any portion of the Specialty Pharmaceutical Business.

"**EBITDA**" means earnings before interest, taxes, depreciation and amortization.

"**EMA**" means the European Medicines Agency.

"**EMLA**" has the meaning given to it under the heading "*Nuvo Following the Arrangement – Business – HLT Patch*".

"**E.U.**" means the European Union.

"**Eurocept**" means Eurocept International B.V.

"**FDA**" means the United States Food and Drug Administration.

"**Fairness Opinion**" means the opinion of Bloom Burton dated December 31, 2015, a copy of which is attached as Appendix H.

"**Final Order**" means the final order of the Court to be made in connection with approval of the Arrangement, as such order may be varied or amended by the Court at any time prior to the Arrangement Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or amended on appeal.

"**Form 54-101F7**" means Form 54-101F7 – *Request for Voting Instructions Made by Intermediary.*

"**GAAP**" means generally accepted accounting principles.

"**Galen**" means Galen US Incorporated.

"**GMPs**" means Good Manufacturing Practices.

"**HLT Patch**" means the heated lidocaine/tetracaine patch.

"**Holdco**" means 2487001 Ontario Limited, an OBCA corporation.

"**Holdco Common Shares**" means the common shares in the capital of Holdco.

"**Holdco Reorganization Shares**" means the shares designated as the reorganization preferred shares in the capital of Holdco, to be issued under the Arrangement in exchange, in part, for the Transferred Property.

"**Horizon**" means Horizon Pharma plc.

"**IFRS**" means international financial reporting standards as adopted by the International Accounting Standards Board.

"**income test**" has the meaning given to it under the heading "*Certain Income Tax Consequences – Certain U.S. Federal Income Tax Consequences to Shareholders – Consequences of Holding and Disposing of Nuvo Common Shares or Crescita Common Shares (Post-Arrangement) – PFIC Rules*".

"**Interested Parties**" has the meaning given to it under the heading "*The Arrangement – Fairness Opinion of Bloom Burton*".

"**Interim Order**" means the interim order of the Court dated January 7, 2016 issued under section 182 of the OBCA pursuant to the application by Nuvo providing, among other things, for declarations and directions with respect to the Arrangement and the Meeting, a copy of which is attached as Appendix J, as such order may be varied or amended at any time prior to the Meeting.

"**Intermediary**" means, with respect to a Non-Registered Shareholder, an intermediary such as a broker, investment dealer, bank, trust company, trustee or administrator that holds Nuvo Common Shares on behalf of such Non-Registered Shareholder.

"**IRS**" means the Internal Revenue Service.

"**Mallinckrodt**" means Mallinckrodt Inc.

"**Management Information Circular**" means this management information circular issued by Nuvo in connection with the Meeting, including all appendices referred to herein and the documents incorporated by reference herein.

"**Mark-to-Market Election**" has the meaning given to it under the heading "*Certain Income Tax Consequences – Certain U.S. Federal Income Tax Consequences to Shareholders – Consequences of Holding and Disposing of Nuvo Common Shares or Crescita Common Shares (Post-Arrangement) – PFIC Rules*".

"**Meeting**" means the special meeting of Shareholders to be held on February 18, 2016 at 9:00 a.m. (Eastern Time) at the International Plaza Hotel, 655 Dixon Road, Toronto, Ontario, M9W 1J3 and any adjournment(s) or postponement(s) thereof, to consider and to vote on: (a) the Arrangement Resolution; (b) if the Arrangement Resolution is approved, the SAR/DSU Resolution, the Crescita Incentive Plan Resolution, the Crescita Rights Plan Resolution and the Nuvo Incentive Plan Resolution; (c) the Nuvo By-Law Resolution; and (d) such other matters as may properly come before the meeting.

"**MI 52-109**" means Multilateral Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings*, as amended.

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, as amended.

"**NDA**" has the meaning given to it under the heading "*Risk Factors – Risks Relating to Nuvo Following the Arrangement – Manufacturing and Supply Risks*".

"**NEO**" has the meaning given to it under the heading "*The Arrangement – Amendments to Nuvo Incentive Plan – Nuvo Incentive Plan – Nuvo Option Plan*".

"**NI 54-101**" means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, as amended.

"**Non-Registered Shareholder**" means a person who beneficially owns Nuvo Common Shares through an Intermediary.

"**Non-Resident Shareholder**" has the meaning given to it under the heading "*Certain Income Tax Consequences – Certain Canadian Federal Income Tax Consequences to Shareholders – Shareholders Not Resident in Canada*".

"**Notice of Meeting**" means the notice of special meeting which accompanies this Management Information Circular.

"**NovaMedica**" means NovaMedica LLC.

"**NSAID**" has the meaning given to it under the heading "*Nuvo Following the Arrangement – Business – Pennsaid 2%*".

"**Nuvo**" or "**Corporation**" means, prior to the completion of the transactions set forth in Section 2.3(r) of the Plan of Arrangement, Nuvo Research Inc., an OBCA corporation, and from and after the completion of the transactions set forth in Section 2.3(r) of the Plan of Arrangement, Nuvo Pharmaceuticals Inc., an OBCA corporation.

"**Nuvo Annual Financial Statements**" means the audited consolidated financial statements of Nuvo for the years ended December 31, 2014 and 2013, together with the notes thereto and the auditors' report thereon.

"**Nuvo Bonus Plan**" means Nuvo's share bonus plan forming part of the Nuvo Incentive Plan or the Amended and Restated Nuvo Incentive Plan, as the case may be.

"**Nuvo Broker Warrants**" means the broker warrants of the Corporation.

"**Nuvo Butterfly Shares**" means the new class of special shares in the capital of Nuvo, to be issued under the Arrangement to Participating Shareholders in exchange, in part, for their Nuvo Common Shares, having the attributes as set out in Exhibit I to the Plan of Arrangement.

"**Nuvo Butterfly Shares Redemption Amount**" means an amount equal to the volume-weighted average trading price of the Nuvo Common Shares on the TSX for the five trading days ending on the last trading day prior to the Arrangement Date multiplied by the Butterfly Proportion.

"**Nuvo By-Law Resolution**" means the ordinary resolution approving the Amended and Restated Nuvo By-Law, in the form attached as Appendix F, as it may be amended or varied at or at any time prior to the Meeting.

"**Nuvo CCGN Committee**" means the Compensation, Corporate Governance and Nominating Committee of the Board.

"**Nuvo Common Shares**" means, prior to the Arrangement, the existing common shares in the capital of Nuvo and includes, unless the context otherwise requires, the rights issued pursuant to the Nuvo Rights Plan and attached to such common shares and, after the Arrangement, the Post-Arrangement Nuvo Common Shares.

"**Nuvo DSU**" means a deferred share unit credited under a Nuvo DSU Plan.

"**Nuvo DSU Participant**" means a Person who has been credited one or more Nuvo DSUs under a Nuvo DSU Plan.

"**Nuvo DSU Plans**" means, collectively, Nuvo's deferred share unit plan for employees and Nuvo's deferred share unit plan for non-employee directors.

"**Nuvo Incentive Plan**" means Nuvo's share incentive plan in the form approved by Nuvo's shareholders at Nuvo's annual and special meeting held on June 11, 2014.

"**Nuvo Incentive Plan Resolution**" means the ordinary resolution approving the amendment to the Nuvo Incentive Plan described under the heading "*The Arrangement – Amendments to Nuvo Incentive Plan*", in the form attached as Appendix E, as it may be amended or varied at or at any time prior to the Meeting.

"**Nuvo Interim Financial Statements**" means the unaudited condensed consolidated interim financial statements of Nuvo for the three and nine months ended September 30, 2015 and 2014, together with the notes thereto.

"**Nuvo Option Holder**" means a Person who holds a Nuvo Option.

"**Nuvo Option Plan**" means Nuvo's share option plan forming part of the Nuvo Incentive Plan or the Amended and Restated Nuvo Incentive Plan, as the case may be.

"**Nuvo Options**" means the options to purchase Nuvo Common Shares granted pursuant to the Nuvo Option Plan.

"**Nuvo Pro Forma Financial Statements**" means the unaudited *pro forma* consolidated financial statements of Nuvo as at and for the nine months ended September 30, 2015 and for the year ended December 31, 2014, together with the notes thereto, attached as Appendix L.

"**Nuvo Purchase Plan**" means Nuvo's share purchase plan forming part of the Nuvo Incentive Plan or the Amended and Restated Nuvo Incentive Plan, as the case may be.

"**Nuvo Rights Plan**" means the rights agreement (amended and restated) of the Corporation dated as of December 16, 1992 between the Corporation and CIBC Mellon Trust Company, as rights agent.

"**Nuvo SAR**" means a share appreciation right issued under the Nuvo SARs Plan.

"**Nuvo SARs Holder**" means a Person who has been granted one or more outstanding Nuvo SARs under the Nuvo SARs Plan.

"**Nuvo SARs Plan**" means Nuvo's share appreciation rights plan.

"**Nuvo Unit**" means a unit of the Corporation issuable upon the exercise of a Nuvo Broker Warrant and consisting of (a) one Nuvo Common Share and (b) one-half of one Nuvo Warrant.

"**Nuvo Warrant Holder**" means a Person who holds a Nuvo Warrant and/or a Nuvo Broker Warrant.

"**Nuvo Warrants**" means the common share purchase warrants issued by the Corporation.

"**OA**" has the meaning given to it under the heading "*Nuvo Following the Arrangement – Business*".

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended.

"**OBCA Director**" means the Director appointed pursuant to section 278 of the OBCA.

"**Offer to Pay**" has the meaning given to it under the heading "*The Arrangement – Dissenting Shareholders' Rights*".

"**OSC**" means the Ontario Securities Commission.

"**OTC**" means over the counter.

"**Paladin**" means Paladin Labs Inc.

"**Participant**" has the meaning given to it under the heading "*The Arrangement – Amendments to Nuvo Incentive Plan – Nuvo Incentive Plan – Nuvo Option Plan*".

"**Participating Shareholder**" means a Shareholder, other than a Dissenting Shareholder.

"**Person**" means any individual, partnership, association, body corporate, trust, trustee, executor, administrator, legal representative, government, regulatory authority or other entity.

"**PFIC**" has the meaning given to it under the heading "*Certain Income Tax Consequences – Certain U.S. Federal Income Tax Consequences to Shareholders – U.S. Federal Income Tax Consequences of the Arrangement – Treatment if Section 355 of the Code Does Not Apply*".

"**PK**" has the meaning given to it under the heading "*Nuvo Following the Arrangement – Business – HLT Patch*".

"**Plan of Arrangement**" means the plan of arrangement attached as Appendix G to this Management Information Circular, as amended or supplemented from time to time in accordance with the terms thereof.

"**Post-Arrangement Nuvo Common Shares**" means the common shares in the capital of Nuvo having the terms and conditions set out in Exhibit I to the Plan of Arrangement, to be issued under the Arrangement to Participating Shareholders in exchange, in part, for existing common shares in the capital of Nuvo held by them and includes, unless the context otherwise requires, any rights issued pursuant to the Nuvo Rights Plan and attached to such common shares.

"**Post-Arrangement Nuvo Options**" means the options to purchase Nuvo Common Shares granted under the Nuvo Option Plan pursuant to the Arrangement to Nuvo Option Holders in exchange, in part, for outstanding Nuvo Options, and which options are to have substantially the same terms and conditions as such outstanding Nuvo Options except as otherwise provided in the Plan of Arrangement.

"**Post-Arrangement Nuvo SARs**" means the share appreciation rights to be granted by Nuvo under the Amended and Restated Nuvo SARs Plan pursuant to the Arrangement to Nuvo SARs Holders in exchange, in part, for outstanding Nuvo SARs, and which share appreciation rights are to have substantially the same terms and conditions as such outstanding Nuvo SARs except as otherwise provided in the Plan of Arrangement.

"**Pre-Arrangement Transactions**" has the meaning given to it under the heading "*The Arrangement – Pre-Arrangement Transactions*".

"**Predecessor Holders**" has the meaning given to it under the heading "*The Arrangement – Distribution of Crescita Common Shares*".

"**QEF Election**" has the meaning given to it under the heading "*Certain Income Tax Consequences – Certain U.S. Federal Income Tax Consequences to Shareholders – Consequences of Holding and Disposing of Nuvo Common Shares or Crescita Common Shares (Post-Arrangement) – PFIC Rules*".

"**QFC**" has the meaning given to it under the heading "*Certain Income Tax Consequences – Certain U.S. Federal Income Tax Consequences to Shareholders – U.S. Federal Income Tax Consequences of the Arrangement – Treatment if Section 355 of the Code Does Not Apply*".

"**R&D**" means research and development.

"**Record Date**" means the close of business on January 5, 2016.

"**Registered Shareholder**" means a registered holder of Nuvo Common Shares.

"**Regulation S**" means Regulation S under the 1933 Act.

"**Resident Shareholder**" has the meaning given to it under the heading "*Certain Income Tax Consequences – Certain Canadian Federal Income Tax Consequences to Shareholders – Shareholders Resident in Canada*".

"**RRIFs**" has the meaning given to it under the heading "*Certain Income Tax Consequences – Certain Canadian Federal Income Tax Consequences to Shareholders – Shareholders Resident in Canada – Eligibility for Investment*".

"**RRSPs**" has the meaning given to it under the heading "*Certain Income Tax Consequences – Certain Canadian Federal Income Tax Consequences to Shareholders – Shareholders Resident in Canada – Eligibility for Investment*".

"**SAR/DSU Resolution**" means the ordinary resolution approving (a) the issuance of Nuvo Common Shares pursuant Section 2.3(b) of the Plan of Arrangement in exchange for outstanding Nuvo DSUs, (b) the issuance of Nuvo Common Shares pursuant to the Amended and Restated Nuvo SARs Plan, and (c) the issuance of Crescita Common Shares pursuant to the Crescita SARs Plan, in the form attached as Appendix B, as it may be amended or varied at or at any time prior to the Meeting.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval, accessible at www.sedar.com.

"**Separation Agreement**" has the meaning given to it under the heading "*The Arrangement – Pre-Arrangement Transactions*".

"**Shareholders**" means the holders of Nuvo Common Shares at the applicable time.

"**Speciality Pharmaceutical Business**" means the businesses currently carried on by Nuvo and its Affiliates consisting of Pennsaid® 2%, Pennsaid and the HLT Patch (including Synera), and pharmaceutical manufacturing capabilities, and includes all the assets and liabilities pertaining thereto held by any of Nuvo or its Affiliates immediately prior to the Arrangement Time.

"**Subco**" means 2487002 Ontario Limited, an OBCA corporation and, immediately prior to the Arrangement Time, a wholly-owned subsidiary of Nuvo.

"**Subco Shares**" means common shares in the capital of Subco.

"**Subsidiary**" means, in respect of a specified Person, a second Person that is controlled, directly or indirectly, by the specified Person, and includes a Subsidiary of the second Person; provided that, for purposes of this Management Information Circular, (a) prior to the completion of the events and transactions described in Section 2.3 of the Plan of Arrangement, a "Subsidiary" of Nuvo will include Holdco and Subco and their respective Subsidiaries, and (b) from and after the completion of the events and transactions described in Section 2.3 of the Plan of Arrangement, a "Subsidiary" of Nuvo will not include Holdco, Subco or Crescita or any of their respective Subsidiaries.

"**taxable capital gain**" has the meaning given to it under the heading "*Certain Income Tax Consequences – Certain Canadian Federal Income Tax Consequences to Shareholders – Shareholders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

"**Tax Act**" means the *Income Tax Act* (Canada), as amended, including the regulations promulgated thereunder.

"**Tax Proposals**" means all specific proposals to amend the Tax Act and the regulations thereunder (including comfort letters) that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Management Information Circular.

"**Termination**" has the meaning given to it under the heading "*The Arrangement – Amendments to Nuvo Incentive Plan – Nuvo Incentive Plan – Nuvo Option Plan*".

"**TFSAs**" has the meaning given to it under the heading "*Certain Income Tax Consequences – Certain Canadian Federal Income Tax Consequences to Shareholders – Shareholders Resident in Canada – Eligibility for Investment*".

"**TPD**" means the Therapeutic Products Directorate.

"**TPT Group**" has the meaning given to it under the heading "*Nuvo Prior to the Arrangement*".

"**Transferred Property**" means all of the Subco Shares held by Nuvo immediately prior to the Arrangement Time.

"**Transitional Services Agreement**" has the meaning given to it under the heading "*The Arrangement – Arrangement Agreement and Related Agreements*".

"**TSX**" means the Toronto Stock Exchange.

"**United States**" or "**U.S.**" means the United States, as defined in Rule 902(1) under Regulation S.

"**U.S. Holder**" has the meaning given to it under the heading "*Certain U.S. Federal Income Tax Consequences to Shareholders – Scope of this Disclosure – U.S. Holders*".

"**U.S. Treaty**" has the meaning given to it under the heading "*Certain Income Tax Consequences – Certain Canadian Federal Income Tax Consequences to Shareholders – Shareholders Not Resident in Canada – Dividends on Nuvo Common Shares or Crescita Common Shares (Post-Arrangement)*".

SUMMARY

The information set out below is intended to be a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this document, including the appendices hereto and the documents incorporated by reference herein. This document should be read carefully and in its entirety as it provides important information regarding Nuvo and the transactions summarized below. Certain capitalized words and terms used in this summary are defined in the Glossary of Terms.

THE MEETING

Nuvo has called the Meeting as a special meeting to consider: (a) the Arrangement Resolution; (b) if the Arrangement Resolution is approved, the SAR/DSU Resolution, the Crescita Incentive Plan Resolution, the Crescita Rights Plan Resolution and the Nuvo Incentive Plan Resolution; and (c) the Nuvo By-Law Resolution. The Arrangement Resolution provides for, among other things, the reorganization of Nuvo into two separate publicly-traded companies. The Meeting will be held at the International Plaza Hotel, 655 Dixon Road, Toronto, Ontario, M9W 1J3 on February 18, 2015, at 9:00 a.m. (Eastern Time).

For further details on the Meeting, see the section entitled "*The Meeting*" and for information on voting Nuvo Common Shares at the Meeting, see the section entitled "*Voting Information and General Proxy Matters*".

THE ARRANGEMENT

The purpose of the Arrangement and the related transactions is to have a separate publicly-traded company, Crescita, own and operate the Drug Development Business, which is currently owned and operated by Nuvo and/or certain subsidiaries of Nuvo. The Arrangement will result in, among other things, Participating Shareholders holding all of the outstanding Nuvo Common Shares and Crescita Common Shares. For a summary of what is proposed under the Arrangement, and the related transactions to occur prior to and after the Arrangement, see the section entitled "*The Arrangement*".

Reasons for the Arrangement

The Board of Directors believes that the separation of the Drug Development Business and the Speciality Pharmaceutical Business into two separate publicly companies will provide a number of benefits to Nuvo and Crescita and the Shareholders, including (among other things): providing Shareholders with independent investment opportunities; providing Participating Shareholders with 100% ownership of each company; providing each company with a sharper business focus, which will permit each company to pursue independent business strategies best suited to their respective business plans; enabling investors, analysts and potential strategic partners to more accurately compare and evaluate each company, which is expected to, over time, enable the separate companies to, in the aggregate, achieve a higher long-term valuation compared to the value that would be accorded if all of Nuvo's assets continued to be held within the same company; enabling each company to pursue independent growth strategies that may not be available to them as part of a consolidated business; allowing each company to make independent capital allocation decisions, which is expected to lead to an appropriately focused alignment of debt capacity with the individual cash generation profile and growth opportunities of each company; enabling each company to be led by experienced directors and executives who have demonstrated success building Nuvo and who have the requisite experience and expertise to pursue growth of their respective companies; and allowing each company to provide business-specific incentives to key personnel, enhancing each company's ability to better attract, retain and motivate key personnel.

See further details under the heading "*The Arrangement – Reasons for the Arrangement*" and "*The Arrangement – Background to the Arrangement*".

Fairness Opinion of Bloom Burton

The Board retained Bloom Burton pursuant to an engagement letter dated November 2, 2015 to prepare and deliver the Fairness Opinion. The Fairness Opinion states that, in the opinion of Bloom Burton, as of December 31, 2015, the Arrangement is fair, from a financial point of view, to the Shareholders. The Fairness Opinion is subject to the assumptions and limitations contained therein and should be read in its entirety. For further details, see the section entitled "*The Arrangement – Fairness Opinion of Bloom Burton*" and for the full text of the Fairness Opinion, see Appendix H.

Recommendation of the Board

The Board, having considered, among other things, the reasons for the Arrangement and the Fairness Opinion of Bloom Burton, has determined that the Arrangement is in the best interest of Nuvo and is fair to the Shareholders. **The Board has unanimously approved the Arrangement, the terms of the Arrangement Agreement and the transactions contemplated thereby, and unanimously recommends that Shareholders vote FOR the Arrangement Resolution, and if the Arrangement Resolution is approved by the Shareholders, FOR the SAR/DSU Resolution, FOR the Crescita Incentive Plan Resolution, FOR the Crescita Rights Plan Resolution, and FOR the Nuvo Incentive Plan Resolution.**

Certain Effects of the Arrangement

Immediately after giving effect to the Arrangement:

- Participating Shareholders will continue to own 100% of the capital stock of Nuvo;
- Nuvo will, both directly and indirectly through its subsidiaries, continue to own and operate the Speciality Pharmaceutical Business;
- Participating Shareholders will own 100% of the capital stock of Crescita, a new public company;
- Crescita will, both directly and indirectly through its subsidiaries, own and operate the Drug Development Business;
- Nuvo Option Holders will hold Post-Arrangement Nuvo Options and Crescita Arrangement Options; and
- Nuvo SARs Holders will hold Post-Arrangement Nuvo SARs and Crescita Arrangement SARs.

For a detailed summary of all the steps of the Arrangement and certain effects of the Arrangement, see the sections entitled "*The Arrangement – Details of the Arrangement*" and "*The Arrangement – Certain Effects of the Arrangement*".

Distribution of Crescita Common Shares

Upon the Arrangement becoming effective, from and including the Arrangement Date to and including the Distribution Record Date, share certificates representing Nuvo Common Shares (other than those of Dissenting Shareholders that are deemed under the Arrangement to be cancelled at the Arrangement Time) will represent both the Post-Arrangement Nuvo Common Shares and the Crescita Common Shares to be issued to Shareholders under the Arrangement. As soon as practicable after the Distribution Record Date, there will be delivered to each Shareholder of record as of the Distribution Record Date, without any action required on the part of Shareholders (except as described below with respect to Predecessor Holders) certificates representing the Crescita Common Shares to which such holder is entitled pursuant to the Arrangement. Following the Distribution Record Date, the certificates representing Nuvo Common Shares will represent only Post-Arrangement Nuvo Common Shares and no longer represent Crescita Common Shares.

See the section entitled "*The Arrangement – Distribution of Crescita Common Shares*" and "*The Arrangement – Stock Exchange Listings*".

Treatment of Outstanding Nuvo Options

Pursuant to the Arrangement, each outstanding Nuvo Option will be exchanged for one Post-Arrangement Nuvo Option to be granted by Nuvo and one Crescita Arrangement Option to be granted by Crescita. The original exercise price of each outstanding Nuvo Option will be allocated to the Post-Arrangement Nuvo Option and the Crescita Arrangement Option acquired by such holder in the exchange for such Nuvo Option.

Except as noted in this Management Information Circular, the Post-Arrangement Nuvo Options and Crescita Arrangement Options received by a Nuvo Option Holder under the Arrangement will have substantially the same terms as those of the Nuvo Options for which they were exchanged, including their vesting schedule and the term during which they may be exercised.

On December 14, 2015, the Board approved amendments to the Nuvo Option Plan to accommodate the treatment of outstanding Nuvo Options under the Arrangement as described above. These amendments will be included in the Amended and Restated Nuvo Incentive Plan. If the Arrangement Resolution is approved, the Amended and Restated Nuvo Incentive Plan will take effect on the Arrangement Date as part of the Plan of Arrangement, and no further approval of Shareholders will be required for the granting of the Post-Arrangement Nuvo Options or for the Amended and Restated Nuvo Incentive Plan to become effective.

The Crescita Arrangement Options will be granted under the Crescita Option Plan which would become effective as part of the Arrangement. The Crescita Option Plan will have terms substantially the same as those contained in the Nuvo Option Plan (as amended as described above and as contemplated by the Nuvo Incentive Plan Resolution).

For further details, see the section entitled "*The Arrangement – Treatment of Outstanding Nuvo Options*".

Amendments to Nuvo Incentive Plan

Currently, the maximum number of Nuvo Common Shares that may be issued under the Nuvo Incentive Plan is a fixed maximum percentage of 15% of the outstanding Nuvo Common Shares from time to time. However, the Nuvo Common Shares that may be issued under the Nuvo Incentive Plan are specifically allocated to the three sub-plans on the following basis: 10% to the Nuvo Share Option Plan; 3% to the Nuvo Purchase Plan; and 2% to the Nuvo Bonus Plan.

If the Nuvo Incentive Plan Resolution is approved at the Meeting, the Nuvo Incentive Plan will be amended as of the Arrangement Date such that the aggregate maximum percentage of Nuvo Common Shares made available for, and reserved for issuance under, the Nuvo Incentive Plan will remain unchanged at 15% of the total number of Nuvo Common Shares outstanding from time to time, and the allocation of such maximum percentage may be allocated among the Nuvo Option Plan, Nuvo Bonus Plan and Nuvo Purchase Plan in a manner determined by the Board of Directors of Nuvo (or a committee thereof) from time to time (provided that the maximum number of Nuvo Common Shares that may be issued under the Nuvo Bonus Plan shall not exceed a fixed number of Nuvo Common Shares equal to 3% of the number of Nuvo Common Shares outstanding immediately following the Arrangement Time). The total fixed maximum percentage of Nuvo Common Shares reserved for issuance under the Nuvo Incentive Plan will not change as a result of this amendment.

As discussed above and under the heading "*The Arrangement – Treatment of Outstanding Nuvo Options*", on December 14, 2015, the Board approved certain amendments to the Nuvo Option Plan to accommodate the treatment of outstanding Nuvo Options under the Arrangement. These amendments will be included in the Amended and Restated Nuvo Incentive Plan. If the Arrangement Resolution is approved by Shareholders at the Meeting, the Amended and Restated Nuvo Incentive Plan will take effect on the Arrangement Date as part of the Plan of Arrangement, whether or not the Nuvo Incentive Plan Resolution is approved. If the Nuvo Incentive Plan Resolution is approved by Shareholders at the Meeting, the Amended and Restated Nuvo Incentive Plan will also incorporate the amendments contemplated by the Nuvo Incentive Plan Resolution.

For further details and a summary of the amendments to the Nuvo Incentive Plan contemplated by the Nuvo Incentive Plan Resolution, see the section entitled "*The Arrangement – Amendments to Nuvo Incentive Plan*".

Treatment of Outstanding Nuvo DSUs

If the SAR/DSU Resolution is approved at the Meeting, the Nuvo DSUs held by each Nuvo DSU Participant immediately prior to the Arrangement Time will be exchanged pursuant to the Arrangement for a number of Nuvo Common Shares that is equal to the number of Nuvo DSUs so exchanged. The number of Nuvo Common Shares to be issued to each Nuvo DSU Holder in exchange for such holder's Nuvo DSU's will be reduced by a number of Nuvo Common Shares with a value (based on the closing price of the Nuvo Common Shares on the TSX on the last trading day prior to the Arrangement Date) equal to the amount that Nuvo is required to withhold under the Tax Act in respect of the Nuvo Common Shares to be issued to such Nuvo DSU Holder. The Nuvo Common Shares received in exchange for Nuvo DSUs (net of any withholdings as described above) ultimately will be exchanged under the Plan of Arrangement for Post-Arrangement Nuvo Common Shares and Crescita Common Shares on the same terms as all Nuvo Common Shares. See "*The Arrangement – Details of the Arrangement*".

If the SAR/DSU Resolution is not approved at the Meeting, each outstanding Nuvo DSU will be exchanged pursuant to the Plan of Arrangement for a cash payment equal to the five-day weighted average closing price of the Nuvo Common Shares immediately preceding the last trading day prior to the Arrangement Date.

For further details, see the section entitled "*The Arrangement – Treatment of Outstanding Nuvo DSUs*".

Treatment of Outstanding Nuvo SARs

If the SAR/DSU Resolution is approved at the Meeting, pursuant to the Arrangement, each outstanding Nuvo SAR will be exchanged for one Post-Arrangement Nuvo SAR to be granted by Nuvo (that will entitle the holder thereof to receive either a cash payment or Nuvo Common Shares) and one Crescita Arrangement SAR to be granted by Crescita (that will entitle the holder thereof to receive either a cash payment or Crescita Common Shares). The original grant price of each outstanding Nuvo SAR that is exchanged pursuant to the Arrangement will be allocated to the Post-Arrangement Nuvo SAR and the Crescita Arrangement SAR acquired by such holder on the exchange.

Except as noted above and in this Management Information Circular, the Post-Arrangement Nuvo SARs and Crescita Arrangement SARs received by a Nuvo SARs Holder under the Arrangement will have substantially the same terms as those of the Nuvo SARs for which they were exchanged, including their vesting schedule.

On December 14, 2015, the Board approved amendments to the Nuvo SARs Plan to (a) accommodate the exchange of outstanding Nuvo SARs under the Arrangement (as described above and under the heading "*The Arrangement – Treatment of Outstanding Nuvo SARs*") and (b) provide that from and after the Arrangement Date, no additional Nuvo SARs may be granted under the Amended and

Restated Nuvo SARs Plan. If the Arrangement Resolution is approved, these amendments are to take effect on the Arrangement Date as part of the Plan of Arrangement.

The Crescita Arrangement SARs will be granted under the Crescita SARs Plan which would become effective as part of the Arrangement. The Crescita SARs Plan will have terms substantially the same as those contained in the Amended and Restated Nuvo SARs Plan. The Crescita SARs Plan is being adopted pursuant to the Plan of Arrangement for the sole purpose of administering the Crescita Arrangement SARs. No other share appreciation rights will be issued pursuant to the Crescita SARs Plan.

If the SAR/DSU Resolution is not approved at the Meeting, the Post-Arrangement Nuvo SARs and the Crescita Arrangement SARs will be settled in cash in accordance with the terms of the Amended and Restated Nuvo SARs Plan and the Crescita SARs Plan, respectively.

For further details, see the section entitled "*The Arrangement – Treatment of Outstanding Nuvo SARs*".

Treatment of Nuvo Warrants and Nuvo Broker Warrants

On November 30, 2015, Nuvo provided notice to the Nuvo Warrant Holders that it has exercised the Acceleration Feature and that the Nuvo Warrants and Nuvo Broker Warrants (including Nuvo Warrants issuable upon the exercise of the Nuvo Broker Warrants) will expire, if not exercised on or prior to January 15, 2016. For further details, see the section entitled "*The Arrangement – Treatment of Nuvo Warrants and Nuvo Broker Warrants*".

APPROVALS AND OTHER CONDITIONS PRECEDENT TO THE ARRANGEMENT

Approval of Shareholders Required for the Arrangement

The Interim Order provides that the percentage of votes required to pass the Arrangement Resolution will be not less than two-thirds of the votes cast by Shareholders, voting in person or by proxy, at the Meeting. See "*Voting Information and General Proxy Matters – Procedure and Votes Required*".

Court Approval

An arrangement under the OBCA requires court approval. Subject to the terms of the Arrangement Agreement, and if the Arrangement Resolution is approved by Shareholders at the Meeting in the manner required by the Interim Order, Nuvo currently intends to apply promptly to the Court for the Final Order approving the Arrangement. The Notice of Application with respect to the application for the Final Order is attached as Appendix K.

The application for the Final Order approving the Arrangement is expected to be made on February 24, 2016, at 10:00 a.m. (Eastern Time), or as soon thereafter as counsel may be heard, at the Court located at 330 University Avenue, Toronto, Ontario, M5G 1R7. At the hearing, any Shareholder or any other interested party who wishes to participate or be represented or to present arguments or evidence may do so in accordance with the provisions of the Interim Order, provided that such a party shall serve on Nuvo and file with the Court no later than 5:00 p.m. (Eastern Time) on February 19, 2016, a notice of appearance as out in the Notice of Application with respect to the application for the Final Order and satisfy any other requirements of the Court.

See the section entitled "*The Arrangement – Approvals and other Conditions Precedent to the Arrangement – Court Approval*".

TSX Approval

The TSX has conditionally approved: (i) the listing on the TSX of the Crescita Common Shares to be issued pursuant to the Arrangement and the Crescita Incentive Plan (including the Crescita Common Shares which, as a result of the Arrangement, are issuable upon the exercise of Crescita Arrangement Options and settlement of Crescita Arrangement SARs); (ii) the listing on the TSX of the Nuvo Common Shares to be issued pursuant to the Arrangement upon the settlement of the Nuvo DSUs; (iii) the listing on the TSX of the Post-Arrangement Nuvo Common Shares to be issued pursuant to the Arrangement (including the Post-Arrangement Nuvo Common Shares which, as a result of the Arrangement, are issuable upon the exercise of Post-Arrangement Nuvo Options and settlement of Post-Arrangement Nuvo SARs) in substitution of the current listing of the Nuvo Common Shares; (iv) the listing on the TSX of the Nuvo Butterfly Shares to be issued pursuant to the Arrangement; and (v) the listing on the TSX of the Holdco Common Shares to be issued pursuant to the Arrangement, in each case, subject to compliance with normal listing requirements.

Final approval will be subject to Nuvo or Crescita, as applicable, fulfilling all of the applicable requirements of the TSX. See the section entitled "*The Arrangement – Approvals and other Conditions Precedent to the Arrangement – TSX Approval*".

Other Conditions Precedent to the Arrangement

In addition to the receipt of the approvals, orders and rulings noted above, the completion of the Arrangement is subject to the satisfaction of certain other conditions under the Arrangement Agreement as described under the heading "*The Arrangement – Approvals and other Conditions Precedent to the Arrangement – Other Conditions Precedent to the Arrangement*".

DISSENTING SHAREHOLDERS' RIGHTS

A Registered Shareholder is entitled to dissent and be paid by Nuvo the fair value of the holder's Nuvo Common Shares determined as at the close of business on the business day before the Meeting (or any adjournment(s) or postponement(s) thereof) provided that the Arrangement Resolution is passed, the Arrangement becomes effective and such Registered Shareholder provides Nuvo with a Dissent Notice at or prior to 5:00 p.m. (Eastern Time) on the last business day immediately preceding the date of the Meeting, or any adjournment(s) or postponement(s) thereof.

A Registered Shareholder who wishes to exercise Dissent Rights must provide to Nuvo (at 7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4, or by facsimile to 1-905-673-1842, Attention: Legal Department), at or prior to 5:00 p.m. (Eastern Time) on the last business day immediately preceding the date of the Meeting (or any adjournment(s) or postponement(s) thereof), a written objection to the Arrangement Resolution. This right of dissent is described in detail under the heading "*The Arrangement – Dissenting Shareholders' Rights*". **Registered Shareholders who wish to dissent and who fail to strictly comply with the dissent procedures set out in this Management Information Circular may lose any right of dissent. Beneficial owners of Nuvo Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that ONLY A REGISTERED OWNER OF NUVO COMMON SHARES IS ENTITLED TO EXERCISE RIGHTS OF DISSENT.**

NUVO FOLLOWING THE ARRANGEMENT

Following completion of the Arrangement, Nuvo, together with certain subsidiaries, will continue to own and operate the Speciality Pharmaceutical Business. The Speciality Pharmaceutical Business will be comprised of a portfolio of commercial products and pharmaceutical manufacturing capabilities. Nuvo will have three commercial products that are available in a number of countries, Pennsaid 2%, Pennsaid and the HLT Patch. Nuvo will be focused on licensing the rights to Pennsaid 2% in those territories that are available as well as looking for new contract manufacturing opportunities and strategic acquisitions to increase the commercial product portfolio and to expand the Corporation's manufacturing capacity and capabilities. As part of the Plan of Arrangement, Nuvo will change its name from "Nuvo Research Inc." to "Nuvo Pharmaceuticals Inc.". For further details, see the section entitled "*Nuvo Following the Arrangement*".

CRESCITA FOLLOWING THE ARRANGEMENT

For a detailed description of Crescita following the completion of the Arrangement, see Appendix M.

RISK FACTORS

Shareholders should be aware that there are various known and unknown risk factors in connection with the Arrangement and the ownership of Nuvo Common Shares and Crescita Common Shares following the completion of the Arrangement. Shareholders should carefully consider the risks identified in this Management Information Circular under the heading "*Risk Factors*" and under the heading "*Risks Factors*" in Appendix M before deciding whether or not to approve the Arrangement.

CERTAIN INCOME TAX CONSEQUENCES

Certain Canadian Federal Income Tax Consequences to Shareholders

In general, a Participating Shareholder who is a resident of Canada for purposes of the Tax Act and who holds his or her Nuvo Common Shares as capital property will not realize a capital gain or capital loss for purposes of the Tax Act as a result of the Arrangement unless the Participating Shareholder chooses to realize a capital gain or capital loss pursuant to the provisions of the Tax Act. Assuming that a Participating Shareholder does not choose to realize a capital gain or a capital loss on the Arrangement, the adjusted cost base of the Nuvo Common Shares immediately prior to the Arrangement will generally be allocated among the Crescita Common Shares and the Nuvo Common Shares based upon the relative fair market values of such shares at the time of the Arrangement. Following the Arrangement Date, Nuvo intends to advise Shareholders on its website of its estimate of the appropriate proportionate allocation.

In general, a Participating Shareholder who is not a resident of Canada for purposes of the Tax Act and who holds his or her Nuvo Common Shares as capital property will not be subject to tax under the Tax Act as a result of the Arrangement.

For a more detailed description of the Canadian federal income tax consequences to Shareholders as a result of the Arrangement, see "*Certain Income Tax Consequences – Certain Canadian Federal Income Tax Consequences to Shareholders*". Shareholders should consult their own tax advisors with respect to their particular circumstances.

Certain U.S. Federal Income Tax Consequences to Shareholders

A discussion of certain potential U.S. federal income tax consequences to Shareholders as a result of the Arrangement is provided in the section entitled "*Certain Income Tax Consequences – Certain U.S. Federal Income Tax Consequences to Shareholders*".

SUMMARY FINANCIAL INFORMATION

For a summary of certain historical and *pro forma* consolidated financial information of Nuvo and certain historical combined financial information of Crescita, see the sections entitled "*Nuvo Following the Arrangement – Summary Historical and Pro Forma Consolidated Financial Information*" and "*Selected Historical Combined Financial Information*" in Appendix M, respectively.

INFORMATION CONCERNING ADDITIONAL MATTERS TO BE ACTED UPON AT THE MEETING

Amendments to By-Law Number 1

On December 14, 2015, the Board approved the adoption of the Amended and Restated Nuvo By-Law, relating generally to the transaction of the business and affairs of Nuvo. The amendments are intended to better align Nuvo's existing by-law with the current requirements of the OBCA and to reflect customary practices of other publicly-traded companies. The changes to By-Law Number 1 are reflected in Appendix Q.

Pursuant to the provisions of the OBCA, the Amended and Restated Nuvo By-Law will cease to be effective unless ratified and confirmed by the Shareholders at the Meeting. At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass with or without variation, the Nuvo By-Law Resolution, the full text of which is set forth in Appendix F. Reference should be made to Appendix Q for the full text of the Amended and Restated Nuvo By-Law. The Amended and Restated Nuvo By-Law is also available on SEDAR at www.sedar.com.

For further details, see the section entitled "*Information Concerning Additional Matters to be Acted Upon at the Meeting – Amendments to By-Law Number 1*".

THE MEETING

Time, Date and Place

The Meeting will be held at the International Plaza Hotel, 655 Dixon Road, Toronto, Ontario, M9W 1J3 on February 18, 2016, at 9:00 a.m. (Eastern Time).

Record Date and Shares Entitled to Vote

Nuvo has fixed the close of business on January 5, 2016 as the Record Date for the determination of Shareholders entitled to receive notice of, to attend and to vote at the Meeting, or any adjournment(s) or postponement(s) thereof. Each Shareholder of record will be entitled to one vote per Nuvo Common Share held on all matters to be acted upon at the Meeting.

Business of the Meeting

At the Meeting, the Shareholders will be asked to consider and vote upon, pursuant to the Interim Order, the Arrangement Resolution and, if the Arrangement Resolution is approved, the SAR/DSU Resolution, the Crescita Incentive Plan Resolution, the Crescita Rights Plan Resolution and the Nuvo Incentive Plan Resolution. The Shareholders will also be asked to consider and vote upon the Nuvo By-Law Resolution. See "*Voting Information and General Proxy Matters – Procedure and Votes Required*".

Other than the Arrangement Resolution, the SAR/DSU Resolution, the Crescita Incentive Plan Resolution, the Crescita Rights Plan Resolution, the Nuvo Incentive Plan Resolution and the Nuvo By-Law Resolution, each as described under "*Voting Information and General Proxy Matters – Procedure and Votes Required*", management knows of no other matter to come before the Meeting. The accompanying instrument of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. If any other matters which are not known to management properly come before the Meeting, the shares represented by proxies in favour of management nominees will be voted on such matters in accordance with the best judgment of such nominees.

Quorum and Votes Required for Certain Matters

Two persons present at the opening of the Meeting who are entitled to vote thereat either as Shareholders or proxyholders will constitute a quorum for the Meeting. The Arrangement Resolution requires the affirmative vote of not less than two-thirds of the votes cast by Shareholders who vote in respect thereof, in person or by proxy, at the Meeting while the SAR/DSU Resolution, Crescita Incentive Plan Resolution, the Crescita Rights Plan Resolution, the Nuvo Incentive Plan Resolution and the Nuvo By-Law Resolution must each be approved by a majority of the votes cast by Shareholders (other than (a) in the case of the SAR/DSU Resolution, any insiders of Nuvo who are eligible participants in the Nuvo DSU Plan or the Nuvo SARs Plan, and (b) in the case of the Crescita Incentive Plan Resolution and the Nuvo Incentive Plan Resolution, any insiders of Nuvo who are eligible participants in the Nuvo Incentive Plan) voting in person or by proxy. See "*Voting Information and General Proxy Matters – Procedure and Votes Required*".

THE ARRANGEMENT

The following contains only a summary of the Plan of Arrangement, the Arrangement, the rights of Dissenting Shareholders and the Arrangement Agreement and certain related agreements and matters. Shareholders are urged to read the more detailed information included elsewhere in, or incorporated by reference into, this Management Information Circular, including the Plan of Arrangement attached as Appendix G, Section 182 of the OBCA and the requirements of the Interim Order relating to the rights of Dissenting Shareholders attached as Appendix I and Appendix J, respectively, and the Arrangement Agreement, a copy of which was filed by Nuvo on December 18, 2015 and may be obtained at www.sedar.com.

The reorganization of Nuvo will create two separate publicly-traded companies that Nuvo believes will be better able to pursue independent strategies and opportunities for growth and ultimately enhance long-term value for Shareholders. Nuvo will become a revenue and EBITDA generating commercial healthcare company. Crescita will be a drug development company with a diversified pipeline of product candidates and sufficient cash resources to execute its current business plan for the next 24 months.

The reorganization is to be implemented through the Arrangement. The Arrangement effects a series of transactions resulting in, among other things, the transfer of the Drug Development Business to Crescita and the distribution to Shareholders of all of the Crescita Common Shares. The Arrangement will result in, among other things, each Participating Shareholder receiving one Crescita Common Share for each Nuvo Common Share held by such Participating Shareholder before the Arrangement. Immediately after giving effect to the Arrangement, Participating Shareholders will hold directly all of the outstanding Nuvo Common Shares and Crescita Common Shares.

REASONS FOR THE ARRANGEMENT

The Board of Directors believes that the separation of the Drug Development Business and the Speciality Pharmaceutical Business into two separate public companies will provide a number of benefits to Nuvo and Crescita and the Shareholders, including the benefits summarized below. The potential benefits described below are subject to a number of risks that could cause some or all of these benefits to not be realized, in whole or in part. See "*Risk Factors*".

Focused Investment Decision

The Arrangement will provide Shareholders with independent investment opportunities, in respect of:

- Nuvo, which will become a revenue and EBITDA generating commercial healthcare company, and
- Crescita, which will be a drug development company with a diversified pipeline of product candidates and sufficient cash resources to execute its current business plan for the next 24 months.

Shareholders to Own 100% of Each Company

If the Arrangement becomes effective, Participating Shareholders will own 100% of the outstanding shares of each company.

Sharper Business and Strategic Focus

Nuvo and Crescita have different business models, capital requirements and personnel needs, and accordingly require different short term and long term strategies. Their separation into two independent companies, each with its own board of directors, will provide management of each company with a sharper business focus. This will permit each company to pursue independent business strategies best suited to their respective business plans, and allow them to pursue opportunities in their respective markets.

Improved Market Understanding

By establishing two separate public companies with independent public reporting and a simplified corporate structure, investors, analysts and potential strategic partners should be able to more accurately compare and evaluate each company on a stand-alone basis against appropriate peers, benchmarks and performance criteria specific to that company. It is expected that over time the separate companies will, in the aggregate, achieve a higher long-term valuation compared to the valuation that would be accorded if all of Nuvo's assets continued to be held within the same company. Nuvo also believes that the proposed separation may create greater clarity and certainty for potential strategic partners that want to evaluate business opportunities with each company.

Independent Growth Opportunities

Each of the two businesses has attractive opportunities for both organic expansion and external growth through acquisitions, capital investments and geographic expansion. Separating the Drug Development Businesses and Specialty Pharmaceutical Business will enable each company to pursue independent growth strategies that may not be available to them as part of a consolidated business.

Independent Capital Allocation

Upon completion of the Arrangement, Nuvo and Crescita are expected to have sufficient capital positions, including adequate working capital for each company to execute its current business plan for the next 24 months. As separate companies, Nuvo and Crescita will be able to make independent capital allocation decisions, which management expects will lead to an appropriately focused alignment of debt capacity with the individual cash generation profile and growth opportunities of each company. In addition, it is expected that Nuvo and Crescita will enhance their ability to attract investors who are aligned with their respective business strategies.

Experienced Leadership

Each company will be led by experienced directors and executives who have demonstrated success building Nuvo and who have the requisite experience and expertise to pursue growth of their respective companies.

Better Ability to Attract, Retain and Motivate Key Personnel

The separation of Nuvo into two independent public companies will also enable each to provide business-specific incentives to key personnel. Compensation arrangements can more closely align the role of each employee and consultant with the performance of the business that engages them, enhancing each company's ability to better attract, retain and motivate key personnel.

Fairness of the Consideration

Bloom Burton provided the Fairness Opinion which concluded that the Arrangement is fair, from a financial point of view, to Shareholders.

Tax Treatment

The Arrangement will generally occur on a tax-deferred basis for Shareholders resident in Canada who hold their Nuvo Common Shares as capital property. A discussion of certain potential United States federal income tax consequences to U.S. Holders as a result of the Arrangement is provided under the heading "*Certain Income Tax Consequences – Certain U.S. Federal Income Tax Consequences to U.S. Shareholders*".

The foregoing are the material benefits considered by the Board in its evaluation of the Arrangement, but are not intended to be exhaustive. The Board of Directors also carefully considered the risks described under the heading "*Risk Factors*", and weighed those risks against the foregoing factors and concluded that the foregoing factors outweigh such risks. In view of the wide variety of factors considered by the Board, and the complexity of these matters, the Board did not find it practicable to, and did not quantify or otherwise assign relative weights to the foregoing factors or risks. In addition, individual members of the Board may have assigned different weights to various factors and risks.

BACKGROUND TO THE ARRANGEMENT

The Board has considered the separation of Nuvo's businesses on a number of occasions over the past several years, together with other available strategic alternatives for enhancing the value of Nuvo. Over the course of this process, the Board has consulted with management of Nuvo, and with financial and legal advisors in order to assist it in evaluating the merits of the various alternatives.

In October 2014, Nuvo sold the Pennsaid 2% U.S. rights to Horizon for US$45.0 million. Nuvo manufactures Pennsaid 2% for Horizon pursuant to a long-term supply agreement. Horizon launched the sale and marketing of Pennsaid 2% in January 2015.

More recently, Nuvo has focused on strategic alternatives that are expected to increase Shareholder value by obtaining better recognition of: (a) Nuvo's revenue generating assets, which include Pennsaid 2%, Pennsaid, Pliaglis, Oxoferin™ and the HLT Patch; (b) Nuvo's cash position; and (c) the potential of WF10™ as a treatment for allergic rhinitis.

On April 16, 2015, Nuvo announced that the Board of Directors had determined that it should work towards spinning out WF10-related assets into a separate R&D focused entity and transition Nuvo from a biotech company concentrated mainly on drug development into a more diversified, profitable, cash flow positive business.

Following that announcement, Nuvo's management has, with the assistance of Nuvo's financial and legal advisors and under the supervision of Nuvo's Board of Directors, continued to evaluate and refine the optimal structure, terms and timing for implementing this strategy.

On June 24, 2015, Nuvo announced that it had retained an international consulting firm to assist it in securing international license agreements for Pennsaid 2% by identifying, contacting and qualifying potential licensees for available territories using its international offices and contacts.

At a meeting on September 14, 2015, the Board considered the possibility of a separation of Nuvo's Speciality Pharmaceutical Business and Drug Development Business. At the meeting, Nuvo's management provided a revised proposal for the separation and outlined the key details, benefits of and risks associated with the proposed separation, as well as the status of actions taken to date, and additional actions to be taken, in preparation for the potential transaction. Representatives of Bloom Burton then gave a presentation to the Board summarizing, among other things, relevant market conditions and their analysis of the proposed transaction. Following the presentations, the Board of Directors discussed the proposed separation and weighed the benefits against the risks associated with the proposal. During the meeting, the Board passed a resolution approving in principle all actions taken, or to be taken, by Nuvo toward preparing for the potential transaction. The Board requested that Nuvo and its advisors prepare definitive agreements for the proposed transaction, and formal business plans of the businesses following the separation, for the Board's consideration at a future board meeting.

On September 15, 2015, Nuvo publicly announced that it was pursuing the reorganization of its Speciality Pharmaceutical Business and Drug Development Business into separate publicly traded companies, on the basis that Nuvo would become a pure-play commercial healthcare company and Crescita would become a pure-play biotech development company.

On October 15, 2015, the Nuvo CCGN Committee engaged Aon Hewitt Inc. ("**Aon**") to provide advice to the committee regarding the treatment of outstanding awards under Nuvo's share-based compensation plans in connection with the Arrangement.

On October 29, 2015, the Nuvo CCGN Committee met to discuss various corporate governance and compensation matters related to the Arrangement, including the composition of the Nuvo Board and the Crescita Board following completion of the Arrangement, compensation of Nuvo's and Crescita's directors and executive officers following the Arrangement, and various matters related to Nuvo's share-based incentive plans and the treatment of outstanding awards under the Arrangement. At the meeting, Aon provided its analysis of Nuvo's share-based compensation plans, and presented various alternatives for the treatment of outstanding awards under those plans in the context of the Arrangement. Nuvo's management also provided additional information and recommendations to the committee regarding the matters discussed at the meeting.

At a meeting of the Nuvo Board also held on October 29, 2015, the Nuvo Board, appointed Samira Sakhia as a director of Nuvo.

Also on October 29, 2015, Nuvo engaged Cormark Securities Inc. to act as financial sponsor to Crescita in connection with the potential listing of the Crescita Common Shares on the TSX in accordance with the TSX's policies.

On November 2, 2015, the Nuvo Board retained Bloom Burton to provide an opinion as to the fairness of the consideration to be received by Shareholders under the Arrangement.

The Nuvo Board met again on November 10, 2015 and received an updated report from management regarding the proposed transaction. Management's report contained, among other things, an update on key details of the proposed transaction and the status of certain actions taken to date in preparation for this transaction. The Board also reviewed and discussed draft documentation relating to the proposed transaction.

On November 23, 2015, Nuvo announced that the TSX had conditionally approved the listing of Crescita, subject to compliance with normal listing requirements.

On December 14, 2015, the Nuvo Board held a meeting to consider whether to approve the Arrangement and certain related matters. At this meeting, the Nuvo Board received and considered a presentation from Nuvo's management which included an update regarding the status of various matters relating to the proposed transaction, including transaction documentation. Following management's update, Bloom Burton provided the Nuvo Board with its oral opinion that, as of December 14, 2015, the Arrangement is fair, from a financial point of view, to the Shareholders. Following a further discussion, the Nuvo Board unanimously resolved to approve the Arrangement Agreement and to make the recommendations described below under the heading "*Recommendation of the Board*".

Following the meeting, Nuvo, Subco and Holdco executed the Arrangement Agreement and Nuvo publicly announced the execution of the Arrangement Agreement.

FAIRNESS OPINION OF BLOOM BURTON

The Board retained Bloom Burton pursuant to an engagement letter dated November 2, 2015 to prepare and deliver the Fairness Opinion. The Fairness Opinion states that, in the opinion of Bloom Burton, as of December 31, 2015, the Arrangement is fair, from a financial point of view, to the Shareholders. The Fairness Opinion is subject to the assumptions and limitations contained therein and should be read in its entirety. See Appendix H for the full text of the Fairness Opinion.

Nuvo has agreed to pay Bloom Burton a fee for preparing and delivering the Fairness Opinion. Nuvo has also agreed to reimburse Bloom Burton for its reasonable out-of-pocket expenses, notwithstanding consummation of the Arrangement, and to indemnify Bloom Burton and its affiliates in respect of certain liabilities that may be incurred by them in connection with Bloom Burton's engagement to provide the Fairness Opinion. An additional fee is payable to Bloom Burton if the Fairness Opinion is referenced or included within this Management Information Circular.

As of December 31, 2015, a predecessor entity of Bloom Burton is the registered holder of 21,600 Nuvo Common Shares. A predecessor entity of Bloom Burton has provided financial and strategic advisory services to Nuvo in the past 24 months. Bloom Burton and its affiliates may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for Nuvo, Crescita or any of their respective associates, affiliates or insiders (collectively, the "**Interested Parties**"). Bloom Burton and its affiliates act as traders and dealers, both as principal and agent, in major financial markets and, as such, may have and may in the future have positions in the securities of any Interested Party and, from time to time, may have executed or may execute transactions on behalf of any Interested Party or other clients for which it may have received or may receive compensation. As an investment dealer, Bloom Burton conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including matters with respect to the Arrangement or Nuvo.

RECOMMENDATION OF THE BOARD

The Board, having considered, among other things, the reasons for the Arrangement and the Fairness Opinion of Bloom Burton, has determined that the Arrangement is in the best interest of Nuvo and is fair to the Shareholders. **The Board has unanimously**

approved the Arrangement, the terms of the Arrangement Agreement and the transactions contemplated thereby, and unanimously recommends that Shareholders vote:

- **FOR the Arrangement Resolution,**

and, if the Arrangement Resolution is approved by the Shareholders:

- **FOR the SAR/DSU Resolution,**
- **FOR the Crescita Incentive Plan Resolution,**
- **FOR the Crescita Rights Plan Resolution, and**
- **FOR the Nuvo Incentive Plan Resolution**.

ARRANGEMENT AGREEMENT AND RELATED AGREEMENTS

Arrangement Agreement

Nuvo, Subco and Holdco have entered into an arrangement agreement (the "**Arrangement Agreement**") as of December 14, 2015 which provides for, among other things, the terms of the Arrangement (including the Plan of Arrangement), the conditions to its completion, actions to be taken prior to and after the Arrangement Date and indemnities between the companies after the Arrangement Date, the substance of which is summarized below or elsewhere in this Management Information Circular.

Pursuant to the Arrangement Agreement, each of the parties has agreed to use commercially reasonable efforts and to do all things reasonably required to complete the transactions contemplated in the Arrangement Agreement. The Arrangement Agreement provides that the obligation of Nuvo to complete the Arrangement is subject to receipt of a number of approvals and fulfillment of a number of conditions described under "- *Approvals and Other Conditions Precedent to the Arrangement*". Notwithstanding fulfillment of all conditions and receipt of the contemplated approvals, Nuvo may decide at any time before or after the Meeting, but prior to the issue under the OBCA of the Certificate of Arrangement giving effect to the Arrangement, to terminate the Arrangement Agreement and not to proceed with the Arrangement without notice to or the approval of the other parties to the Arrangement Agreement or the Shareholders. The Board considers it appropriate to retain the flexibility not to proceed with the Arrangement should some event occur after the Meeting and prior to the Arrangement Date which, in the opinion of the Board, makes it inappropriate to complete the Arrangement. The Arrangement Resolution also provides this discretion to the Board.

Further, subject to applicable law and the terms of the Arrangement Agreement (including the Plan of Arrangement), the Arrangement Agreement may, at any time and from time to time before and after the holding of the Meeting, but not later than the Arrangement Date, be amended by written agreement of the parties, without further notice to or authorization on the part of the Shareholders. The Arrangement Resolution also authorizes the Board to amend the Plan of Arrangement to the extent permitted under the Plan of Arrangement in any manner not inconsistent with the Interim Order or Final Order, without further notice to or approval by the Shareholders. Nuvo has no present intention to amend the Arrangement Agreement or the Plan of Arrangement. However, it is possible that commercial, market or other factors or conditions could make it advisable to amend the Arrangement Agreement or the Plan of Arrangement. Nuvo has also reserved the right in its sole discretion to amend the Arrangement Agreement to the extent that such amendment is necessary or desirable due to the Interim Order or Final Order.

Pursuant to the Arrangement Agreement, each of Nuvo, on the one hand, and Subco and Holdco, on the other hand, has agreed to indemnify and hold harmless the other party (and its representatives) against any loss suffered or incurred resulting from, among other things, a breach of a representation, warranty or covenant by the indemnifying party.

Separation Agreement and Ancillary Agreements

Prior to the Arrangement Time, Nuvo, Subco and Holdco are expected to enter into the Separation Agreement and several ancillary agreements which are expected to provide for, among other things, the transfer of the Drug Development Business to Subco and certain arrangements governing the separation of the Drug Development Business and the Specialty Pharmaceutical Business. Further details regarding the expected terms of the Separation Agreement and the ancillary agreements are described below under the heading " – *Pre-Arrangement Transactions*". The terms of the Separation Agreement and the ancillary agreements have not been finalized prior to the printing and mailing of this Management Information Circular. Changes, some of which may be material, may be made prior to the implementation of the Pre-Arrangement Transactions.

Pursuant to the Separation Agreement, Nuvo and Crescita are expected to enter into a transitional services agreement (the "**Transitional Services Agreement**") pursuant to which Nuvo and Crescita will agree to provide each other, on a transitional basis, certain services in order to facilitate the orderly transfer of the Drug Development Business to Crescita. The Separation Agreement is

expected to provide that Nuvo and Crescita will also enter into trade-mark licenses, which will govern the use by each of Nuvo and Crescita of certain of the intellectual property owned by the other party following the Arrangement Date. The Separation Agreement is also expected to provide that Nuvo and Crescita will enter into a lease pursuant to which Crescita will lease from Nuvo the portion of Nuvo's manufacturing facility in Varennes, Quebec that is currently utilized in the conduct of the Drug Development Business. Further details of the expected terms of the Transitional Services Agreement, the trade-mark licenses and the lease are described in Appendix M under the heading "*Arrangements Between Crescita and Nuvo*".

PRE-ARRANGEMENT TRANSACTIONS

Formation of Holdco and Subco

On October 14, 2015, Holdco was formed under the OBCA in order to carry out the Arrangement. Until the Arrangement is effected, Holdco will have no assets or liabilities, will conduct no operations and will not issue any shares in its capital stock.

On October 14, 2015, Subco was formed under the OBCA in order to carry out the Arrangement. Until the Pre-Arrangement Transactions are effected, Subco will have no assets or liabilities, will conduct no operations and will not issue any shares in its capital stock.

Separation of the Drug Development Business and the Specialty Pharmaceutical Business

The Drug Development Business is currently owned and operated by Nuvo and/or certain subsidiaries of Nuvo. Prior to the Arrangement Time, the Parties are expected to enter into the Separation Agreement and several ancillary agreements to complete the transfer from Nuvo of (a) ownership of the Drug Development Business to Subco through the direct and indirect transfer to Subco of the shares of these subsidiaries and/or the assets and liabilities of Nuvo related to the Drug Development Business and (b) an estimated $35 million in cash to Subco (the "**Pre-Arrangement Transactions**").

The Drug Development Business will be transferred on an "as-is", "where-is" basis. The Separation Agreement is expected to provide for a full and complete mutual release and discharge of all liabilities existing or arising from all acts, events and conditions (including liabilities arising under contractual agreements or arrangements between or among such parties other than the Arrangement Agreement, the Separation Agreement and the ancillary agreements) occurring or existing before the Arrangement Date between Subco or any of its Subsidiaries, on the one hand, and Nuvo or any of its Subsidiaries, on the other hand, except as will expressly be set forth in the Separation Agreement.

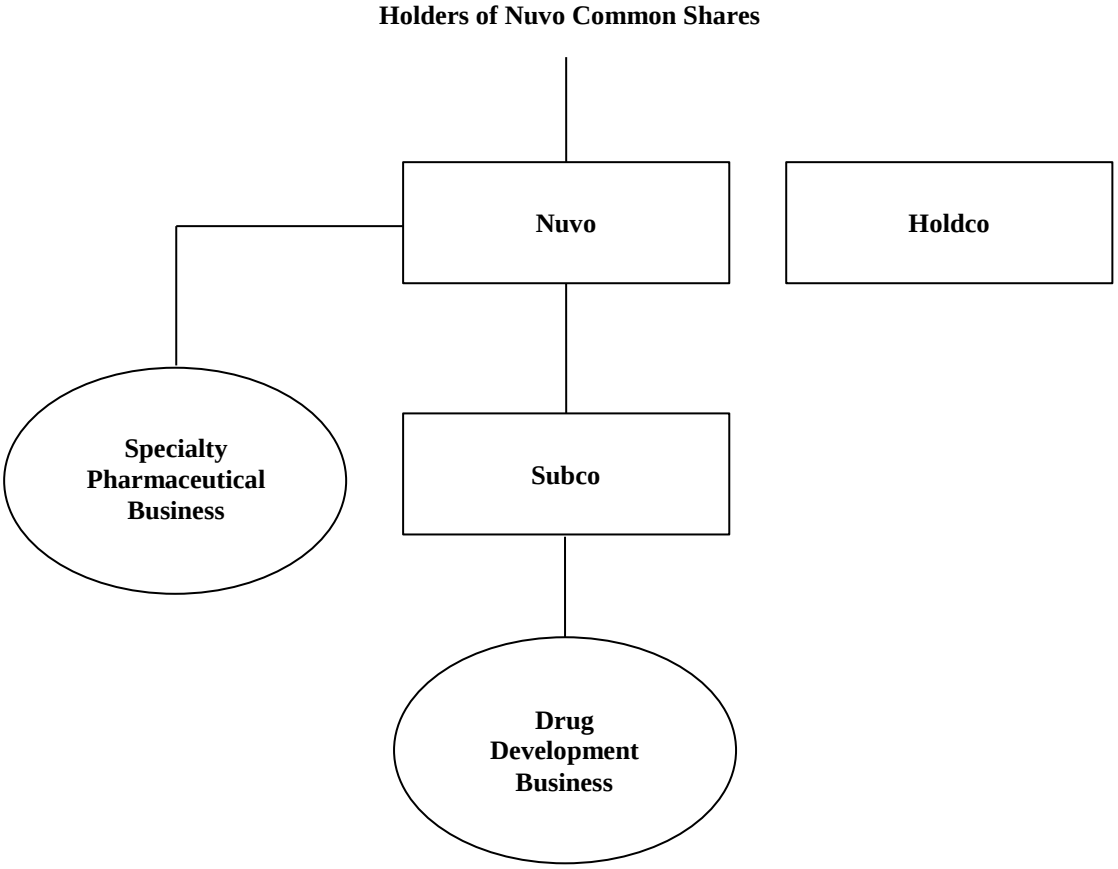
Under the terms of the Separation Agreement, it is expected that Subco will generally agree to indemnify Nuvo and its Affiliates from and against any liabilities associated with, among other things, the Drug Development Business, whether relating to the period, or arising, prior to or after the Arrangement Date. The Separation Agreement is expected to contain a reciprocal indemnity under which Nuvo will generally agree to indemnify Subco and its Affiliates from and against any liabilities relating to, among other things, the Speciality Pharmaceutical Business. Nuvo and Subco are also expected to indemnify each other with respect to non-performance of their respective obligations under the Separation Agreement.

The transfer of the Drug Development Business will be effective on the Arrangement Date prior to the Arrangement Time. To the extent that certain of the legal documentation necessary to evidence any of the transfers contemplated by the Separation Agreement have not been completed prior to such time, the parties will agree to cooperate to complete such legal documentation as promptly as practicable following the Arrangement Time. In addition, each of the parties will agree to cooperate with each other and use reasonable commercial efforts to take or to cause to be taken all actions, and to do, or to cause to be done, all things reasonably necessary under applicable law or contractual obligations to consummate and make effective the transactions contemplated by the Separation Agreement and the ancillary agreements.

Other matters governed by the Separation Agreement are expected to include responsibility for taxes, access to books and records, confidentiality, insurance and dispute resolution.

Pre-Arrangement Organizational Structure

The following diagram sets out an abbreviated organizational structure of Nuvo immediately prior to the implementation of the Arrangement and after giving effect to the Pre-Arrangement Transactions described above:



DETAILS OF THE ARRANGEMENT

Steps of the Arrangement

Pursuant to the Plan of Arrangement, at the Arrangement Time, the following steps will occur and will be deemed to occur in the following order by operation of law without any further act, authorization or formality:

(a) each Nuvo DSU Participant will exchange his or her Nuvo DSUs outstanding on the Arrangement Date for Nuvo Common Shares (or cash if the SAR/DSU Resolution is not approved) on the terms described below under "- *Treatment of Outstanding Nuvo DSUs*" and the Nuvo DSUs so exchanged will be cancelled;

(b) the articles of Nuvo will be amended to change the designation of Nuvo's common shares from "Common Shares" to "Class A Common Shares" and to increase the voting rights of those Class A Common Shares to two votes per share and to authorize Nuvo to issue:

(i) an unlimited number of Post-Arrangement Nuvo Common Shares, and

(ii) an unlimited number of Nuvo Butterfly Shares,

having the rights, privileges, restrictions and conditions set out in Exhibit I to the Plan of Arrangement;

(c) each Participating Shareholder's Class A Common Shares in the capital of Nuvo outstanding on the Arrangement Date (including any Nuvo Class A Common Shares issued to the Nuvo DSU Participants referred to in (a) above) will be changed into one Post-Arrangement Nuvo Common Share and one Nuvo Butterfly Share in accordance with section 168(1)(h) of the OBCA;

(d) each Participating Shareholder will transfer all such Participating Shareholder's Nuvo Butterfly Shares to Holdco in exchange for the issuance by Holdco of one Holdco Common Share for each Nuvo Butterfly Share so transferred;

(e) the Nuvo Option Plan will be amended in order to permit the granting of the Post-Arrangement Nuvo Options referred to in (g) below on the terms described below under "- *Treatment of Outstanding Nuvo Options*";

(f) the Crescita Incentive Plan, with terms and conditions substantially the same as those provided for in the form attached as Appendix N, will become effective;

(g) each Nuvo Option Holder will exchange his or her Nuvo Options outstanding on the Arrangement Date for Post-Arrangement Nuvo Options and Crescita Arrangement Options on the terms described below under "- *Treatment of Outstanding Nuvo Options*" and the Nuvo Options so exchanged will be cancelled;

(h) the Nuvo SARs Plan will be amended in order to permit the granting of the Post-Arrangement Nuvo SARs referred to in (j) below on the terms described below under "- Treatment of Outstanding Nuvo SARs";

(i) the Crescita SARs Plan, with terms and conditions substantially the same as those provided for in the form attached as Appendix P, will become effective;

(j) each Nuvo SARs Holder will exchange his or her Nuvo SARs outstanding on the Arrangement Date for Post-Arrangement Nuvo SARs and Crescita Arrangement SARs on the terms described below under "- *Treatment of Outstanding Nuvo SARs*" and the Nuvo SARs so exchanged will be cancelled;

(k) Nuvo will transfer all of the common shares in the capital stock of Subco to Holdco in exchange for the granting by Holdco to the Nuvo Option Holders of Crescita Arrangement Options in accordance with (g) above, the granting by Holdco to the Nuvo SARs Holders of Crescita Arrangement SARs in accordance with (j) above and the issuance by Holdco to Nuvo of one Holdco Reorganization Share for each Subco Share transferred to Holdco;

(l) Holdco will redeem from Nuvo all the Holdco Reorganization Shares and will issue to Nuvo, as payment therefor, a non-interest bearing demand promissory note with a principal amount equal to the aggregate redemption amount of the Holdco Reorganization Shares redeemed;

(m) Nuvo will redeem from Holdco all the Nuvo Butterfly Shares and will issue to Holdco, as payment therefor, a non-interest bearing demand promissory note with a principal amount equal to the aggregate redemption amount for the Nuvo Butterfly Shares redeemed;

(n) the non-interest bearing demand promissory notes referred to in (l) and (m) above will be set-off against each other in full satisfaction of the obligations of each issuer under its respective note;

(o) the articles of incorporation of Holdco will be amended by deleting the Holdco Reorganization Shares from the share capital which Holdco is authorized to issue;

(p) Holdco and Subco will amalgamate and continue as one corporation having the name "Crescita Therapeutics Inc." and upon the amalgamation:

(i) each issued and outstanding Holdco Common Share will be deemed a Crescita Common Share;

(ii) each outstanding option to purchase Holdco Common Shares will be deemed an option to acquire an equivalent number of Crescita Common Shares at the same exercise price and on the same terms as are provided for in such option, and Crescita will assume and become subject to the Crescita Incentive Plan;

(iii) each outstanding share appreciation right that entitles the holder thereof to Holdco Common Shares upon the settlement of such share appreciation right will be deemed a share appreciation right that entitles the holder thereof to an equivalent number of Crescita Common Shares on the same terms as are provided for in such share appreciation right, and Crescita will assume and become subject to the Crescita SARs Plan;

(iv) no securities shall be issued and no assets shall be distributed by the amalgamated corporation in connection with the amalgamation; and

(v) all issued and outstanding shares of Subco will be deemed cancelled, without any repayment of capital in respect thereof, on a basis that does not entitle the holders thereof to any consideration, and thereafter the holders of such securities will not have any rights, liabilities or other obligations in respect of such securities; and

(q) the articles of Nuvo will be amended by:

(i) deleting the Nuvo Butterfly Shares and the Class A Common Shares from the share capital which Nuvo is authorized to issue; and

(ii) changing the name of Nuvo from "Nuvo Research Inc." to "Nuvo Pharmaceuticals Inc.".

The Plan of Arrangement provides for a number of other actions, including the appointment of the directors of Crescita identified under "*Directors and Executive Officers*" in Appendix M to this Management Information Circular. The above steps and the other steps of the Plan of Arrangement are set out in detail in the Plan of Arrangement included as Appendix G to this Management Information Circular.

Certain Effects of the Arrangement

Immediately after giving effect to the Arrangement:

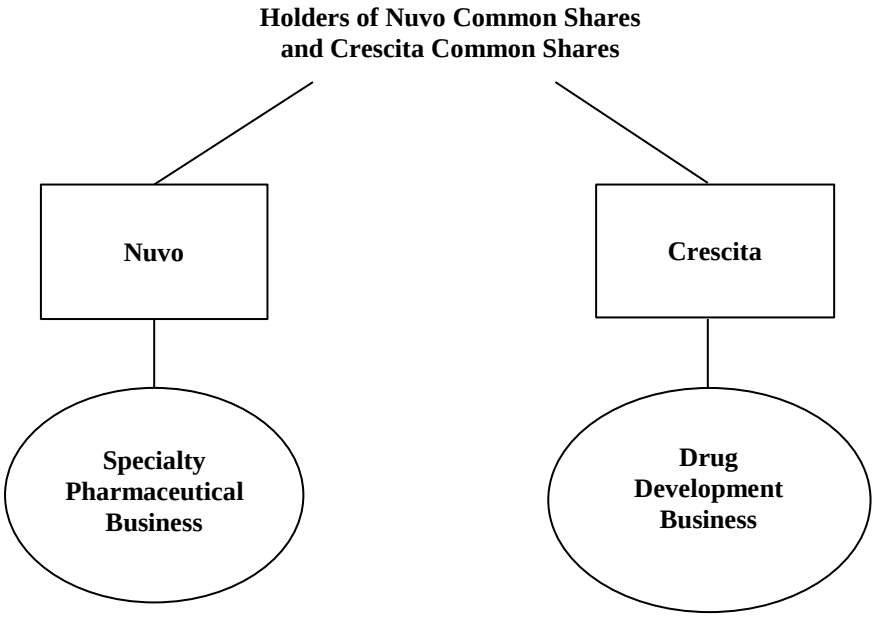
- Participating Shareholders (including Nuvo DSU Holders whose Nuvo DSUs are exchanged for Nuvo Class A Common Shares pursuant to Section 2.3(b) of the Plan of Arrangement) will continue to own 100% of the capital stock of Nuvo;
- Nuvo will, both directly and indirectly through its Subsidiaries, continue to own and operate the Speciality Pharmaceutical Business;
- Participating Shareholders will own 100% of the capital stock of Crescita, a new public company;
- Crescita will, both directly and indirectly through its Subsidiaries, own and operate the Drug Development Business;
- Nuvo Option Holders will hold Post-Arrangement Nuvo Options and Crescita Arrangement Options; and
- Nuvo SARs Holders will hold Post-Arrangement Nuvo SARs and Crescita Arrangement SARs.

It is estimated that immediately following completion of the Arrangement, based on the number of outstanding Nuvo Common Shares as of the date hereof, an aggregate of approximately 11,476,524 Post-Arrangement Nuvo Common Shares and 11,476,524 Crescita Common Shares will be issued and outstanding, assuming that (a) all Nuvo Warrants and Nuvo Broker Warrants are exercised in full prior to the Arrangement Time, (b) 265,318 Nuvo Common Shares are issued upon the settlement of outstanding Nuvo DSUs pursuant to Section 2.3(b) of the Plan of Arrangement, (c) no additional Nuvo Common Shares are issued between the date of this Management Information Circular and the Arrangement Date (including pursuant to the exercise of Nuvo Options), and (d) no Shareholders exercise Dissent Rights.

POST-ARRANGEMENT DETAILS

Post-Arrangement Organizational Structure

The following diagram sets out an abbreviated organizational structure of Nuvo and Crescita immediately following the implementation of the Arrangement.



Relationship Between Nuvo and Crescita After the Arrangement

For details regarding certain contractual arrangements between Nuvo and Crescita following completion of the Arrangement, refer to Appendix M under the heading "*Arrangements Between Crescita and Nuvo*".

Of the current directors of Nuvo, each of Daniel Chicoine, John London, David Copeland and Anthony Dobranowski is expected to become a director of Crescita and to remain a director of Nuvo following the Arrangement. Three other current directors of Nuvo, Dr. Henrich Guntermann, Dr. Klaus von Lindeiner and Dr. Theodore Stanley, are expected to resign from the Nuvo Board of Directors and become directors of Crescita. Each of Dr. Jacques Messier and Samira Sakhia is expected to remain a director of Nuvo following the Arrangement and will not become a director of Crescita.

DISTRIBUTION OF CRESCITA COMMON SHARES

Upon the Arrangement becoming effective, from and including the Arrangement Date to and including the Distribution Record Date, share certificates representing Nuvo Common Shares (other than those of Dissenting Shareholders that are deemed under the Arrangement to be cancelled at the Arrangement Time) will represent both the Post-Arrangement Nuvo Common Shares and the Crescita Common Shares to be issued to Shareholders under the Arrangement. As soon as practicable after the Distribution Record Date, there will be delivered to each Shareholder of record as of the Distribution Record Date, without any action required on the part of Shareholders (except as described below with respect to Predecessor Holders) certificates representing the Crescita Common Shares to which such holder is entitled pursuant to the Arrangement. Following the Distribution Record Date, the certificates representing Nuvo Common Shares will represent only Post-Arrangement Nuvo Common Shares and no longer represent Crescita Common Shares.

The TSX will implement due bill trading for the Post-Arrangement Nuvo Common Shares such that any Post-Arrangement Nuvo Common Share traded between the Arrangement Date and the close of trading on the date that the certificates representing the Crescita Common Shares are distributed as described above will automatically carry the right to receive one Crescita Common Share. See "*The Arrangement – Stock Exchange Listings*".

Predecessor Holders

Certain holders (the "**Predecessor Holders**") hold:

- certificates representing common shares of "Clark Pharmaceutical Laboratories Limited", which is a predecessor to Nuvo and which represent the right to receive one Nuvo Common Share for every 260 common shares of Clark Pharmaceuticals Laboratories Limited; and

- certificates representing pre-consolidation common shares of Nuvo Research Inc. bearing CUSIP CA67072X1096, which represent the right to receive one Nuvo Common Share for every 65 pre-consolidation common shares represented by such certificates.

Any questions regarding the exchange process should be directed to CST Trust Company by calling 1-800-387-0825 (toll-free North America) or 416-682-3860 (local Toronto and international) or sending an e-mail to inquiries@canstockta.com. Failure of a Predecessor Holder to validly exchange such certificates for new certificates representing Nuvo Common Shares prior to the Arrangement Time will result in a delay in the Predecessor Holder receiving Post-Arrangement Nuvo Common Shares and Crescita Common Shares pursuant to the Arrangement.

TREATMENT OF OUTSTANDING NUVO OPTIONS

As of the date hereof, Nuvo Options to purchase 750,021 Nuvo Common Shares were outstanding. Under these outstanding Nuvo Options, the exercise price per Nuvo Common Share ranges from $1.96 to $24.05, with a weighted average exercise price of $6.18 as at December 31, 2015. Under the Nuvo Option Plan, Nuvo Options may be granted to the directors, officers, employees and consultants of the Corporation and its designated affiliates. The Nuvo Option Plan provides that if there is a separation of the business of the Corporation into two or more entities, upon the exercise of a Nuvo Option, the holder thereof shall be entitled to receive the securities, property or cash which the holder would have received upon such separation if the holder had exercised the Nuvo Option immediately prior to the time of such event, unless the directors of Nuvo otherwise determine the basis upon which such Nuvo Option shall be exercisable.

The Nuvo Board, based on the recommendation of the Nuvo CCGN Committee, determined that it would be in the best interests of Nuvo and Crescita (considering the interests of all affected stakeholders, including Shareholders and Nuvo Option Holders) for the outstanding Nuvo Options to be exchanged for Post-Arrangement Nuvo Options and Crescita Arrangement Options in the manner described below. In making its recommendation, the Nuvo CCGN Committee considered, among other things, the terms of the Nuvo Option Plan, the analysis and recommendations provided by Aon (the committee's compensation consultant), legal analysis provided by Nuvo's legal counsel and information and recommendations provided by Nuvo's management. The Nuvo CCGN Committee concluded that exchanging the Nuvo Options in the manner described below (a) is not inconsistent with the provisions of the Nuvo Option Plan, and (b) preserves, but does not enhance, the economic benefit to Nuvo Option Holders without altering the treatment of that benefit under the Tax Act.

Pursuant to the Arrangement, each outstanding Nuvo Option will be exchanged for:

- one Post-Arrangement Nuvo Option to be granted by Nuvo that will upon vesting entitle the holder thereof to acquire one Nuvo Common Share, and

- one Crescita Arrangement Option to be granted by Crescita that will upon vesting entitle the holder thereof to acquire one Crescita Common Share.

The original exercise price of each outstanding Nuvo Option will be allocated to the Post-Arrangement Nuvo Option and the Crescita Arrangement Option acquired by such holder in exchange for such Nuvo Option, such that an amount equal to the Butterfly Proportion of the original exercise price (rounded up to the nearest whole cent) will be payable to Crescita for each Crescita Common Share acquired under the Crescita Arrangement Option and an amount equal to the remainder of the original exercise price (rounded up to the nearest whole cent) will be payable to Nuvo for each whole Nuvo Common Share acquired under the Post-Arrangement Nuvo Option.

Except as noted above, the Post-Arrangement Nuvo Options and Crescita Arrangement Options received by a Nuvo Option Holder under the Arrangement will have substantially the same terms as those of the Nuvo Options for which they were exchanged, including their vesting schedule and the term during which they may be exercised. For purposes of the Nuvo Option Plan and the Crescita Option Plan, the Post-Arrangement Nuvo Options and the Crescita Arrangement Options, respectively, shall be deemed to be a continuation of the earlier granted Nuvo Option for which they are exchanged, as opposed to a new grant of options. Notwithstanding the requirements of the Nuvo Option Plan, each holder of a Nuvo Option at the time of the Arrangement that, in connection with the Arrangement, becomes a director, officer, employee or consultant of Crescita or one of its designated affiliates shall be permitted, for so long as he or she remains a director, officer, employee or consultant, as applicable, of Crescita or one of its designated affiliates, to hold and exercise his or her Post-Arrangement Nuvo Options received as part of the Arrangement in accordance with their terms as though he or she remained a director, officer, employee or consultant, as applicable, of Nuvo or its designated affiliates eligible to participate in the Nuvo Option Plan. If any such holder at any time is no longer a director, officer, employee or consultant of any of Nuvo, Crescita or any of their respective designated affiliates, he or she shall be treated for purposes of the Nuvo Option Plan as having ceased to be so employed or engaged with Nuvo and its designated affiliates and the rights under his or her Post-Arrangement Nuvo Options shall be affected accordingly.

On December 14, 2015, the Board approved amendments to the Nuvo Option Plan to accommodate the treatment of outstanding Nuvo Options under the Arrangement as described above. These amendments will be included in the Amended and Restated Nuvo

Incentive Plan. If the Arrangement Resolution is approved, the Amended and Restated Nuvo Incentive Plan will take effect on the Arrangement Date as part of the Plan of Arrangement, and no further approval of Shareholders (including the Nuvo Incentive Plan Resolution) will be required for the granting of the Post-Arrangement Nuvo Options or for the Amended and Restated Nuvo Incentive Plan to become effective. The proposed form of the Amended and Restated Nuvo Incentive Plan is attached as Exhibit II to the Plan of Arrangement, which is attached as Appendix G to this Management Information Circular. Reference should be made thereto for a complete statement of the terms and conditions of the Amended and Restated Nuvo Incentive Plan.

It is estimated that Post-Arrangement Nuvo Options entitling the holders thereof to acquire up to 750,021 Post-Arrangement Nuvo Options will be issued pursuant to the Arrangement. If the Nuvo Incentive Plan Resolution is approved, Nuvo would be entitled to grant Nuvo Options to acquire up to an additional 971,457 Nuvo Common Shares following the Arrangement Date (representing approximately 8.5% of the Nuvo Common Shares estimated to be outstanding immediately following completion of the Arrangement). If the Nuvo Incentive Plan Resolution is not approved, Nuvo would be entitled to grant Nuvo Options to acquire up to an additional 397,631 Nuvo Common Shares following the Arrangement Date (representing approximately 3.5% of the Nuvo Common Shares estimated to be outstanding immediately following completion of the Arrangement).

The Crescita Arrangement Options to be received by Nuvo Option Holders pursuant to the Arrangement will be granted pursuant to the Crescita Option Plan and will reduce the number of Crescita Common Shares available for issuance under the Crescita Option Plan. The Crescita Option Plan will have terms substantially the same as those contained in the Nuvo Option Plan (as amended as described above and as contemplated by the Nuvo Incentive Plan Resolution), including an equivalent accommodation for the granting of Crescita Arrangement Options to, and the holding and exercise of Crescita Arrangement Options by, directors, officers, employees and consultants of Nuvo or one of its designated affiliates who are to receive those Crescita Arrangement Options as part of the Arrangement. If any such option holder at any time is no longer a director, officer, employee or consultant of any of Nuvo, Crescita or any of their respective designated affiliates, the rights under his or her Crescita Arrangement Options shall be affected accordingly. For a description of the Crescita Incentive Plan (including the Crescita Option Plan), please refer to Appendix M under the heading "*Options to Purchase Securities and Crescita Incentive Plan – Crescita Incentive Plan*". In addition, the proposed form of the Crescita Incentive Plan is attached as Appendix N. Reference should be made thereto for a complete statement of the terms and conditions of the Crescita Incentive Plan.

The Crescita Option Plan will take effect on the Arrangement Date as part of the Plan of Arrangement. By approving the Arrangement Resolution (and whether or not the Crescita Incentive Plan Resolution is approved), Shareholders will be approving, among other things, the Crescita Option Plan and the grant of the Crescita Arrangement Options pursuant to the Plan of Arrangement and the subsequent exercise of any such Crescita Arrangement Options in accordance with their terms and the terms of the Crescita Option Plan. However, the TSX requires that the Crescita Option Plan be approved by Crescita Shareholders before the exercise of any other Crescita Options (i.e., other than the Crescita Arrangement Options) granted under the Crescita Option Plan. This TSX-required approval of the Crescita Shareholders for the Crescita Option Plan is being sought from the Shareholders through the Crescita Incentive Plan Resolution. If the Crescita Incentive Plan Resolution is approved by Shareholders at the Meeting, the TSX-required shareholder approval for the Crescita Option Plan will be deemed to have been received.

It is estimated that Crescita Arrangement Options entitling the holders thereof to acquire up to 750,021 Crescita Common Shares will be issued pursuant to the Arrangement. If the Crescita Incentive Plan Resolution is approved, Crescita would be entitled to grant Crescita Options to acquire up to an additional 971,457 Crescita Common Shares following the Arrangement Date. If the Crescita Incentive Plan is not approved, Crescita will not be entitled to grant any additional Crescita Options following the Arrangement Date unless otherwise approved by Crescita's shareholders.

AMENDMENTS TO NUVO INCENTIVE PLAN

Currently, the maximum number of Nuvo Common Shares that may be issued under the Nuvo Incentive Plan is a fixed maximum percentage of 15% of the outstanding Nuvo Common Shares from time to time. However, the Nuvo Common Shares that may be issued under the Nuvo Incentive Plan are specifically allocated to the three sub-plans on the following basis: 10% to the Nuvo Share Option Plan; 3% to the Nuvo Purchase Plan; and 2% to the Nuvo Bonus Plan.

On December 14, 2015, the Nuvo Board, based on the recommendation of the Nuvo CCGN Committee, approved an amendment to the Nuvo Incentive Plan to provide that the aggregate maximum percentage of Nuvo Common Shares made available for, and reserved for issuance under, the Nuvo Incentive Plan will remain unchanged at 15% of the total number of Nuvo Common Shares outstanding from time to time, but the allocation of such maximum percentage among the Nuvo Option Plan, Nuvo Bonus Plan and Nuvo Purchase Plan shall be determined by the Board of Directors of Nuvo (or a committee thereof) from time to time (provided that the maximum number of Nuvo Common Shares that may be issued under the Nuvo Bonus Plan shall not exceed a fixed number of Nuvo Common Shares equal to 3% of the number of Nuvo Common Shares outstanding immediately following the Arrangement Time). The fixed maximum percentage of Nuvo Common Shares reserved for issuance under the Nuvo Incentive Plan will not change as a result of this amendment.

The Board believes that the Nuvo Incentive Plan is a key component of compensation and seeks to integrate compensation incentives with the development and successful execution of strategic and operating plans. The Nuvo Incentive Plan is designed to support the

achievement of Nuvo's performance objectives and to ensure that Nuvo's directors', officers', employees' and other eligible participants' (e.g., any person or corporation engaged to provide ongoing management or consulting services for Nuvo or one of its designated affiliates or any employee of such person or corporation) interests are aligned with the long-term success of Nuvo. The Board, based on the recommendation of the Nuvo CCGN Committee, concluded that removing the specific allocation of Nuvo Common Shares reserved for issuance under the Nuvo Incentive Plan among the three sub-plans would provide Nuvo with greater flexibility to grant incentives under the Nuvo Incentive Plan in a manner that achieves these objectives more effectively, without increasing the potential dilution to Shareholders given that the fixed maximum percentage of Nuvo Common Shares reserved for issuance under the Nuvo Incentive Plan will not change as a result of this amendment.

The TSX requires that this proposed amendment to the Nuvo Incentive Plan be approved by Shareholders. This TSX-required approval of the Shareholders is being sought from the Shareholders at the Meeting through the Nuvo Incentive Plan Resolution, the full text of which is set forth in Appendix E of this Management Information Circular. As discussed above under "*– Treatment of Outstanding Nuvo Options*", on December 14, 2015, the Board approved certain amendments to the Nuvo Option Plan to accommodate the treatment of outstanding Nuvo Options under the Arrangement. These amendments will be included in the Amended and Restated Nuvo Incentive Plan. If the Arrangement Resolution is approved by Shareholders at the Meeting, the Amended and Restated Nuvo Incentive Plan will take effect on the Arrangement Date as part of the Plan of Arrangement, whether or not the Nuvo Incentive Plan Resolution is approved. If the Nuvo Incentive Plan Resolution is approved by Shareholders at the Meeting, the Amended and Restated Nuvo Incentive Plan will also incorporate the amendments contemplated by the Nuvo Incentive Plan Resolution.

The following is a more detailed description of the terms of the Nuvo Incentive Plan, including the Nuvo Option Plan, Nuvo Purchase Plan and Nuvo Bonus Plan.

Nuvo Incentive Plan

The Nuvo Incentive Plan consists of the Nuvo Option Plan, the Nuvo Purchase Plan and the Nuvo Bonus Plan and is administered by the Board based on recommendations of the Nuvo CCGN Committee. The Nuvo Incentive Plan or Nuvo Options granted pursuant to the Nuvo Option Plan may be amended or modified by the Board in accordance with the Nuvo Incentive Plan without shareholder approval, provided that any such amendment or modification which would, among other things, (a) materially increase the benefits under the Nuvo Incentive Plan or any Nuvo Options granted pursuant to the Nuvo Incentive Plan; (b) increase the number of Nuvo Common Shares which may be issued pursuant to the Nuvo Incentive Plan (other than by permitted adjustments described in the Nuvo Incentive Plan); or (c) materially modify the requirements as to eligibility for participation in the Nuvo Incentive Plan, shall only be effective upon such amendment or modification being approved by the shareholders of Nuvo if required by the TSX or any other applicable regulatory authority. Examples of amendments to the Nuvo Incentive Plan that would not require shareholder approval (subject to the terms of the Nuvo Incentive Plan) may include amendments that are necessary to comply with any applicable law or any requirement of the TSX (or any other stock exchange) and amendments that are of a "housekeeping" nature. No rights under the Nuvo Incentive Plan and no Nuvo Option awarded pursuant to the provisions of the Nuvo Incentive Plan are assignable or transferable by any participant (other than to the participant's estate in certain circumstances).

If the Nuvo Incentive Plan Resolution is approved at the Meeting, the maximum number of Nuvo Common Shares that will be reserved for issuance under the Amended and Restated Nuvo Incentive Plan will remain unchanged at 15% of the total number of Nuvo Common Shares then outstanding. For certainty, to the extent (a) Nuvo Options granted under the Nuvo Option Plan are exercised, expire or are otherwise terminated, new Nuvo Options may be granted in respect thereof, and (b) Nuvo Common Shares are issued pursuant to the Nuvo Purchase Plan, new Nuvo Common Shares may be issued in respect thereof.

It is estimated that immediately following completion of the Arrangement, based on the number of Nuvo Common Shares estimated to be outstanding immediately following the Arrangement Time of 11,476,524, the aggregate number of Nuvo Common Shares reserved for issuance under the Amended and Restated Nuvo Incentive Plan will not exceed 1,721,478, including the Nuvo Common Shares issuable upon the exercise of the Post-Arrangement Nuvo Options.

Nuvo Option Plan

Under the Nuvo Option Plan, options for the purchase of Nuvo Common Shares may be granted to the officers, employees, consultants and directors of Nuvo and its designated affiliates. Nuvo Options are granted at the discretion of the Board (provided that the aggregate number of Nuvo Common Shares reserved for issuance to any one person upon the exercise of Nuvo Options shall not exceed 5% of the issued and outstanding Nuvo Common Shares). In determining the number of Nuvo Common Shares subject to each Nuvo Option, consideration is given to the individual's recent and potential contribution to the success of Nuvo and its affiliates and the number and timing of Nuvo Options previously granted to the individual. The exercise price per Nuvo Common Share may not be less than the closing price of the Nuvo Common Shares trading on the TSX on the last trading day immediately preceding the day the Nuvo Option is granted. Each Nuvo Option has a term of not more than ten years, and, unless otherwise agreed to by the Board, becomes exercisable as to one third of the Nuvo Common Shares subject to it, on a cumulative basis, at the end of each of the first, second and third years following the date of grant. However, the Board has the discretion and on occasion may vary the vesting

period and the exercise price of Nuvo Options granted to NEOs (as defined below) under the Nuvo Option Plan at the time of the grant.

If a participant (a "**Participant**") in the Nuvo Option Plan dies, any option held by such Participant at the date of his or her death shall become immediately exercisable and shall be exercisable by the person to whom the rights of the Nuvo Option shall pass in accordance with the terms of the Participant's will. No rights under the Nuvo Option Plan and no Nuvo Option awarded pursuant thereto are assignable or transferable by any Participant other than pursuant to a will or by the laws of descent and distribution. If a Participant ceases to be a director, consultant or employee of Nuvo or its designated affiliates, as the case may be, for any reason (other than death) (such event being a "**Termination**"), except as otherwise provided in an employment contract, consulting agreement or directors' resolution, such Participant may, but only within 60 days following Termination, exercise his or her Nuvo Options to the extent such Participant was entitled to exercise such Nuvo Options at the date of such Termination.

On the recommendation of a third party compensation consultant engaged by the Nuvo CCGN Committee in 2010, the Nuvo CCGN Committee and the Board have determined that generally Nuvo Options granted to the three most highly compensated executive officers of Nuvo or other individuals acting in a similar capacity for whom Nuvo is required to disclose certain financial and other information relating to compensation ("**NEOs**") shall have a term of 10 years, shall have an exercise price equal to the closing price of the Nuvo Common Shares on the TSX on the day immediately prior to the date of the grant and shall vest as follows: one quarter on January 1 of the first year following the grant; one quarter on January 1 of the second year following the grant; one quarter on January 1 of the third year following the grant; and one quarter on January 1 of the fourth year following the grant (notwithstanding the general vesting schedule provided in the Nuvo Option Plan described above).

Nuvo Bonus Plan

The Nuvo Bonus Plan permits Nuvo Common Shares to be issued by Nuvo as a discretionary bonus to the officers, certain employees and directors of Nuvo and its designated affiliates. Persons who perform services for Nuvo are also eligible to receive Nuvo Common Shares in lieu of cash compensation. The vesting provisions for the Nuvo Common Shares granted pursuant to the Nuvo Bonus Plan shall be determined by the Board at the time of grant.

Nuvo Purchase Plan

The officers and certain employees of Nuvo and its designated affiliates are entitled to contribute up to 10% of their annual base salary to the Nuvo Purchase Plan. Nuvo matches each participant's contribution by issuing Nuvo Common Shares, having a value equal to the aggregate amount contributed by the participating employee, to such participating employee. Nuvo Common Shares are issued under the Nuvo Purchase Plan at the weighted average price of the Nuvo Common Shares on the TSX for the calendar quarter in respect of which such Nuvo Common Shares are being issued. If a participant ceases to be employed by, or provide services to, Nuvo or its affiliates, any portion of the participant's contribution that has not been used to acquire Nuvo Common Shares shall be paid to the participant, any portion of Nuvo's contribution that has not been used to acquire Nuvo Common Shares shall be paid to Nuvo and any Nuvo Common Shares held by Nuvo for the benefit of the participant shall be released to the participant in accordance with the terms of the Nuvo Purchase Plan.

TREATMENT OF OUTSTANDING NUVO DSUS

As of the date hereof, there were 424,978 Nuvo DSUs outstanding. Each Nuvo DSU has a cash value equal to the market price of one Nuvo Common Share. Within a specified time after a director ceases to hold office or an employee ceases employment, the director or employee receives a cash payment equal to the value of their Nuvo DSUs. The Nuvo DSU Plans provide that the Nuvo Board may make appropriate adjustments to the Nuvo DSUs in the event of certain changes in the capital of Nuvo.

The Nuvo Board, based on the recommendation of the Nuvo CCGN Committee, determined that it would be in the best interests of Nuvo and Crescita (considering the interests of all affected stakeholders, including Shareholders and Nuvo DSU Holders) for the Nuvo DSUs held by each Nuvo DSU Participant immediately prior to the Arrangement Time to be exchanged pursuant to the Plan of Arrangement for a number of Nuvo Common Shares that is equal to the number of Nuvo DSUs so exchanged. The number of Nuvo Common Shares to be issued to each Nuvo DSU Holder in exchange for such holder's Nuvo DSUs will be reduced by a number of Nuvo Common Shares with a value (based on the closing price of the Nuvo Common Shares on the TSX on the last trading day prior to the Arrangement Date) equal to the amount that Nuvo is required to withhold under the Tax Act in respect of the Nuvo Common Shares to be issued to such Nuvo DSU Holder. Such exchange would occur prior to the exchange of Nuvo Common Shares for Post-Arrangement Nuvo Common Shares and Crescita Common Shares described in Section 2.3(d) of the Plan of Arrangement such that the Nuvo Common Shares received in exchange for Nuvo DSUs (net of any withholdings as described above) ultimately will be exchanged under the Plan of Arrangement for Post-Arrangement Nuvo Common Shares and Crescita Common Shares on the same terms as all Nuvo Common Shares. Nuvo estimates that approximately 265,318 Nuvo Common Shares will be issued pursuant to the Arrangement as a result of the exchange of Nuvo DSUs. See "*The Arrangement – Details of the Arrangement*". The TSX requires that the issuance of Nuvo Common Shares in exchange for the outstanding Nuvo DSUs pursuant to the Plan of Arrangement be approved by shareholders. If the SAR/DSU Resolution is approved, the TSX-required shareholder approval for the issuance of Nuvo Common Shares in exchange for the outstanding Nuvo DSUs pursuant to the Plan of Arrangement will be deemed to have been

received at the Meeting. If such approval is not obtained, each outstanding Nuvo DSU will be exchanged pursuant to the Plan of Arrangement for a cash payment equal to the five-day weighted average closing price of the Nuvo Common Shares immediately preceding the last trading day prior to the Arrangement Date.

In making its recommendation, the Nuvo CCGN Committee considered, among other things, the terms of the DSU Plans, analysis and recommendations provided by Aon (the committee's compensation consultant), legal analysis provided by Nuvo's legal counsel and information and recommendations provided by Nuvo's management. The Nuvo CCGN Committee concluded that exchanging the DSUs for Nuvo Common Shares in the manner described above was appropriate primarily for the following reasons:

- If the SAR/DSU Resolution is approved, exchanging outstanding Nuvo DSUs for Nuvo Common Shares in the manner contemplated by the Plan of Arrangement eliminates a contingent cash liability of Nuvo and Crescita and will preserve Nuvo's and Crescita's cash positions to a greater extent than if the Nuvo DSUs remained outstanding and were settled entirely for cash.

- Given that Nuvo DSUs are granted to Nuvo DSU Holders for compensation that has already been earned by those Nuvo DSU Holders and are not subject to any vesting conditions, the Nuvo CCGN Committee determined that exchanging Nuvo DSUs pursuant to the Arrangement in the manner described above does not involve the acceleration of any unearned compensation. In particular, the Nuvo CCGN Committee recognized that Mr. Daniel Chicoine, Nuvo's Chairman and Co-Chief Executive Officer, and Mr. John London, Nuvo's President and Co-Chief Executive Officer, voluntarily agreed to accept 50% of their salaries commencing on July 1, 2013 until December 31, 2014 in the form of Nuvo DSUs (notwithstanding that they were entitled to receive such portions of their salaries in cash) in order to preserve Nuvo's cash position for the benefit of Nuvo and the Shareholders. Messrs. Chicoine and London are the only officers of Nuvo who hold Nuvo DSUs. The Nuvo CCGN Committee also recognized that each member of the Board of Directors voluntarily agreed to accept 50% of his cash compensation commencing on July 1, 2013 until June 30, 2015 in the form of Nuvo DSUs in order to preserve Nuvo's cash position for the benefit of Nuvo and the Shareholders.

- Each DSU Holder has agreed not to sell the Nuvo Common Shares received by such holder in exchange for such holder's Nuvo DSUs pursuant to the Arrangement for a period of one year from the Arrangement Date.

Based on the closing price of the Nuvo Common Shares on the TSX on December 31, 2015, it is expected that an additional 20,705 Nuvo DSUs will be granted in the ordinary course between the date hereof and the Arrangement Date. Immediately following the exchange of Nuvo DSUs pursuant to the Plan of Arrangement, the Nuvo DSU Plan will be terminated.

TREATMENT OF OUTSTANDING NUVO SARS

As of the date hereof, there were 787,651 Nuvo SARs outstanding, of which 292,558 Nuvo SARs will vest on January 1, 2016 and will be paid out in cash in accordance with the existing terms of the Nuvo SARs Plan. Accordingly, it is estimated that approximately 495,093 Nuvo SARs will be outstanding immediately prior to the Arrangement Time. Upon vesting, each Nuvo SAR entitles the participant to receive, within 30 days following such vesting date, a cash payment equal to the amount, if any, by which the fair market value of one Nuvo Common Share on the applicable vesting date exceeds the applicable grant price (which, under the terms of the Nuvo SARs Plan, shall not be less than the fair market value of a Nuvo Common Share on the date such Nuvo SAR was granted). The Nuvo SARs Plan provides that the Nuvo Board may make appropriate adjustments to the Nuvo SARs in the event of certain changes in the capital of Nuvo.

The Nuvo Board, based on the recommendation of the Nuvo CCGN Committee, determined that it would be in the best interests of Nuvo and Crescita (considering the interests of all affected stakeholders, including Shareholders and Nuvo SARs Holders) for the Nuvo SARs to be exchanged for Post-Arrangement Nuvo SARs and Crescita Arrangement SARs in the manner described below, and for Nuvo, Crescita and each of the holders of Post-Arrangement Nuvo SARs and Crescita Arrangement SARs to have the option to cause the Post-Arrangement Nuvo SARs or Crescita Arrangement SARs, as applicable, to be settled in Nuvo Common Shares and Crescita Common Shares, respectively. In making its recommendation, the Nuvo CCGN Committee considered, among other things, the terms of the Nuvo SARs Plan, analysis and recommendations provided by Aon (the committee's compensation consultant), legal analysis provided by Nuvo's legal counsel and information and recommendations provided by Nuvo's management. The Nuvo CCGN Committee concluded that exchanging the Nuvo SARs in the manner described below (a) is not inconsistent with the provisions of the Nuvo SARs Plan, (b) preserves, but does not enhance, the economic benefit to the Nuvo SARs Participants, and (c) if the SAR/DSU Resolution is approved, improves Nuvo's and Crescita's capital position by providing each company with the flexibility to settle the Post-Arrangement Nuvo SARs and Crescita Arrangement SARs to be issued in exchange for the outstanding Nuvo SARs in shares rather than cash.

Pursuant to the Arrangement, each outstanding Nuvo SAR will be exchanged for:

- one Post-Arrangement Nuvo SAR to be granted by Nuvo that will entitle the holder thereof to receive, within 30 days following the applicable vesting date, at the option of the holder, either (a) a cash payment equal to the amount, if any by which the fair market value of one Nuvo Common Share on the vesting date (as determined in accordance with the

Amended and Restated Nuvo SARs Plan) exceeds the portion of the original grant price of such Nuvo SAR allocated to the Post-Arrangement Nuvo SAR (as described below), or (b) Nuvo Common Shares with a value on the vesting date equal to the cash amount determined under (a), provided that Nuvo shall have the right, in the event that the holder elects to receive cash upon the vesting of such Post-Arrangement Nuvo SAR, to require the holder to receive Nuvo Common Shares on the basis described in paragraph (b) above in lieu of cash; and

- one Crescita Arrangement SAR to be granted by Crescita that will entitle the holder thereof to receive, within 30 days following the applicable vesting date, at the option of the holder, either (a) a cash payment equal to the amount, if any by which the fair market value of one Crescita Common Share on the vesting date (as determined in accordance with the Crescita SARs Plan) exceeds the portion of the original grant price of such Nuvo SAR allocated to the Crescita Arrangement SAR (as described below), or (b) Crescita Common Shares with a value on the vesting date equal to the cash amount determined under (a), provided that Crescita shall have the right, in the event that the holder elects to receive cash upon the vesting of such Crescita Arrangement SAR, to require the holder to receive Crescita Common Shares on the basis described in paragraph (b) above in lieu of cash.

The original grant price of each outstanding Nuvo SAR that is exchanged pursuant to the Arrangement will be allocated to the Post-Arrangement Nuvo SAR and the Crescita Arrangement SAR acquired by such holder on the exchange, such that an amount equal to the Butterfly Proportion of such original grant price (rounded up to the nearest whole cent) will be allocated to the Crescita Arrangement SAR and an amount equal to the remainder of the original grant price (rounded up to the nearest whole cent) will be allocated to the Post-Arrangement Nuvo SAR.

Except as noted above, the Post-Arrangement Nuvo SARs and Crescita Arrangement SARs received by a Nuvo SARs Holder under the Arrangement will have substantially the same terms as those of the Nuvo SARs for which they were exchanged, including their vesting schedule. For purposes of the Amended and Restated Nuvo SARs Plan and the Crescita SARs Plan, the Post-Arrangement Nuvo SARs and the Crescita Arrangement SARs, respectively, shall be deemed to be a continuation of the earlier granted Nuvo SARs for which they are exchanged, as opposed to a new grant of share appreciation rights. Notwithstanding the requirements of the Nuvo SARs Plan, each holder of a Nuvo SAR at the time of the Arrangement that, in connection with the Arrangement, becomes a director, officer, employee or consultant of Crescita or one of its designated affiliates shall be permitted, for so long as he or she remains a director, officer, employee or consultant, as applicable, of Crescita or one of its designated affiliates, to hold his or her Post-Arrangement Nuvo SARs received as part of the Arrangement in accordance with their terms as though he or she remained a director, officer, employee or consultant, as applicable, of Nuvo or its designated affiliates eligible to participate in the Amended and Restated Nuvo SARs Plan. If any such Post-Arrangement Nuvo SARs holder at any time is no longer a director, officer, employee or consultant of any of Nuvo, Crescita or any of their respective designated affiliates, he or she shall be treated for purposes of the Amended and Restated Nuvo SARs Plan as having ceased to be so employed or engaged with Nuvo and its designated affiliates and the rights under his or her Post-Arrangement Nuvo SARs shall be affected accordingly.

On December 14, 2015, the Board approved amendments to the Nuvo SARs Plan to (a) accommodate the exchange of outstanding Nuvo SARs under the Arrangement (as described above) and (b) provide that from and after the Arrangement Date, no additional Nuvo SARs may be granted under the Amended and Restated Nuvo SARs Plan. If the Arrangement Resolution is approved, these amendments are to take effect on the Arrangement Date as part of the Plan of Arrangement. In addition, if the SAR/DSU Resolution is approved, the Amended and Restated Nuvo SARs Plan will provide for the settlement of the Post-Arrangement Nuvo SARs in Nuvo Common Shares in the circumstances described above. It is estimated that 495,093 Post-Arrangement Nuvo SARs will be issued pursuant to the Arrangement. Accordingly, the maximum number of Nuvo Common Shares reserved for issuance under the Amended and Restated Nuvo SARS Plan will be fixed at 495,093, representing approximately 4.3% of the number of Nuvo Common Shares that is estimated to be outstanding immediately following the completion of the Arrangement. However, based on the closing price of the Nuvo Common Shares on the TSX on December 31, 2015, it is estimated that holders of Post-Arrangement Nuvo SARs would only be entitled to receive approximately 72,181 Nuvo Common Shares (if all such Post-Arrangement Nuvo SARs vested in full and were settled for Nuvo Common Shares in accordance with their terms). No additional Nuvo SARs may be granted under the Amended and Restated Nuvo SARs Plan even if less than the number of Nuvo Common Shares reserved for issuance under the Amended and Restated Nuvo SARs Plan are granted (which will be the case given that each Post-Arrangement Nuvo SAR only entitles the holder thereof to receive the difference between the fair market value of one Nuvo Common Share on the vesting date and a portion of the original grant price of the Nuvo SAR allocated to the Post-Arrangement Nuvo SAR as described above). The number of Nuvo Common Shares reserved for issuance under the Amended and Restated Nuvo SARs Plan is separate and apart from the maximum number of Nuvo Common Shares reserved for issuance under the Amended and Restated Nuvo Incentive Plan. The TSX requires that the amendments to the Nuvo SARs Plan be approved by shareholders before the issuance of any Nuvo Common Shares pursuant to the Amended and Restated Nuvo SARs Plan. If the SAR/DSU Resolution is approved, the TSX-required shareholder approval for the amendments to the Nuvo SARs Plan will be deemed to have been received at the Meeting. If such approval is not obtained, the Post-Arrangement Nuvo SARs will be settled in cash in accordance with the terms of the Amended and Restated Nuvo SARs Plan.

Amended and Restated Nuvo SARs Plan

The Nuvo SARs Plan is administered by the Board (or a committee thereof as delegated by the Board). The Nuvo SARs vest as follows: one quarter on January 1, 2015; one quarter on January 1, 2016; one quarter on January 1, 2017; and the last quarter on January 1, 2018.

The right to receive payment pursuant to vested Post-Arrangement Nuvo SARs may only be conferred to a participant in the Amended and Restated Nuvo SARs Plan personally, or upon the participant's death, the legal representative of his or her estate or any other person who acquires his or her rights in respect of a Post-Arrangement Nuvo SAR by bequest or inheritance. Except as otherwise provided in the Amended and Restated Nuvo SARs Plan, no assignment of a Post-Arrangement SAR vests any interest or right in such Post-Arrangement Nuvo SAR in any assignee and, immediately upon any assignment, such Post-Arrangement Nuvo SAR will terminate and be of no further force or effect. If a holder of Post-Arrangement Nuvo SARs ceases to be a director, employee or otherwise engaged by Nuvo, Crescita or their designated affiliates (for any reason, including death, other than termination for cause), as applicable, there shall be an automatic acceleration of vesting of a pro rata portion of the holder's Post-Arrangement Nuvo SARs based on a formula set out in the Amended and Restated Nuvo SARs Plan that takes into account the period of time from the Arrangement Date to the date of termination. If a holder of Post-Arrangement Nuvo SARs ceases to be a director, employee or otherwise engaged by Nuvo, Crescita or their designated affiliates, as the case may be, for cause, then any outstanding Post-Arrangement Nuvo SARs held by such holder will be deemed to have expired as of the effective date of such termination for cause and the holder shall not be entitled to receive any consideration in respect thereof unless otherwise determined by the Board (or a committee thereof as delegated by the Board).

The Amended and Restated Nuvo SARs Plan may be amended or modified by the Board, without shareholder approval, provided that (a) the participants in the Amended and Restated Nuvo SARs Plan will be advised by Nuvo of any such amendments or modifications, unless they are immaterial or non-substantive; (b) any such amendments or modifications will not affect any Post-Arrangement Nuvo SARs then outstanding, unless consented to by the participant by whom such Post-Arrangement Nuvo SARs are held; and (c) any such amendments or modifications will be subject to shareholder approval if required by applicable laws or the policies of any stock exchange on which the Nuvo Common Shares are listed.

The proposed form of the Amended and Restated Nuvo SARs Plan is attached as Exhibit IV to the Plan of Arrangement, which is attached as Appendix G to this Management Information Circular. Reference should be made thereto for a complete statement of the terms and conditions of the Amended and Restated Nuvo SARs Plan.

Crescita SARs Plan

The Crescita Arrangement SARs to be received by Nuvo SARs Holders will be granted pursuant to the Crescita SARs Plan. The Crescita SARs Plan will have terms substantially the same as those contained in the Amended and Restated Nuvo SARs Plan. The Crescita SARs Plan is being adopted pursuant to the Plan of Arrangement for the sole purpose of administering the Crescita Arrangement SARs to be issued pursuant to the Arrangement in partial exchange for outstanding Nuvo SARs. No other share appreciation rights will be issued pursuant to the Crescita SARs Plan. If the Arrangement Resolution is approved at the Meeting, it is expected that the Crescita Board will ratify and approve the adoption of the Crescita SARs Plan on the Arrangement Date.

Notwithstanding the requirements of the Crescita SARs Plan, each holder of a Crescita SAR at the time of the Arrangement that, in connection with the Arrangement, remains a director, officer, employee or consultant of Nuvo or one of its designated affiliates (and who does not become a director, officer, employee or consultant of Crescita or one of its designated affiliates) shall be permitted, for so long as he or she remains a director, officer, employee or consultant, as applicable, of Nuvo or one of its designated affiliates, to continue to hold his or her Crescita Arrangement SARs received as part of the Arrangement in accordance with their terms as though he or she remained a director, officer, employee or consultant, as applicable, of Crescita or its designated affiliates eligible to participate in the Crescita SARs Plan. If any such holder at any time is no longer a director, officer, employee or consultant of any of Nuvo, Crescita or any of their designated affiliates, he or she shall be treated for purposes of the Crescita SARs Plan as having ceased to be so employed or engaged with Nuvo and its designated affiliates and the rights under his or her Crescita Arrangement SARs shall be affected accordingly.

The Crescita SARs Plan will take effect on the Arrangement Date as part of the Plan of Arrangement. It is estimated that 495,093 Crescita Arrangement SARs will be issued pursuant to the Arrangement. Accordingly, the maximum number of Crescita Common Shares reserved for issuance under the Crescita SARS Plan will be fixed at 495,093, representing approximately 4.3% of the number of Crescita Common Shares that is estimated to be outstanding immediately following the completion of the Arrangement. However, based on the closing price of the Nuvo Common Shares on the TSX on December 31, 2015, it is estimated that holders of Crescita Arrangement SARs would only be entitled to receive approximately 72,181 Crescita Common Shares (if all such Crescita Arrangement SARs vested in full and were settled for Crescita Common Shares in accordance with their terms). No additional Crescita Arrangement SARs may be granted under the Crescita SARs Plan even if less than the number of Crescita Common Shares reserved for issuance under the Crescita SARs Plan are granted (which will be the case given that each Crescita Arrangement SAR only entitles the holder thereof to receive the difference between the fair market value of one Crescita Common Share on the vesting date and a portion of the original grant price of the Nuvo SAR allocated to the Crescita Arrangement SAR as described above). The

number of Crescita Common Shares reserved for issuance under the Crescita SARs Plan will be separate and apart from the maximum number of Crescita Common Shares reserved for issuance under the Crescita Incentive Plan. The TSX requires that the Crescita SARs Plan be approved by shareholders before the issuance of any Crescita Common Shares pursuant to the Crescita SARs Plan. If the SAR/DSU Resolution is approved, the TSX-required shareholder approval for the Crescita SARs Plan will be deemed to have been received at the Meeting. If such approval is not obtained, the Crescita Arrangement SARs will be settled in cash in accordance with the terms of the Crescita SARs Plan.

The right to receive payment pursuant to vested Crescita Arrangement SARs may only be conferred to a participant in the Crescita SARs Plan personally, or upon the participant's death, the legal representative of his or her estate or any other person who acquires his or her rights in respect of a Crescita Arrangement SAR by bequest or inheritance. Except as otherwise provided in the Crescita SARs Plan, no assignment of a Crescita Arrangement SAR vests any interest or right in such Crescita Arrangement SAR in any assignee and, immediately upon any assignment, such Crescita Arrangement SAR will terminate and be of no further force or effect. If a holder of Crescita Arrangement SARs ceases to be a director, employee or otherwise engaged by Crescita, Nuvo or their designated affiliates (for any reason, including death, other than termination for cause), as applicable, there shall be an automatic acceleration of vesting of a pro rata portion of the holder's Crescita Arrangement SARs based on a formula set out in the Crescita SARs Plan that takes into account the period of time from the Arrangement Date to the date of termination. If a holder of Crescita Arrangement SARs ceases to be a director, employee or otherwise engaged by Crescita, Nuvo or their designated affiliates, as the case may be, for cause, then any outstanding Crescita Arrangement SARs held by such holder will be deemed to have expired as of the effective date of such termination for cause and the holder shall not be entitled to receive any consideration in respect thereof unless otherwise determined by the Board (or a committee thereof as delegated by the Board).

The Crescita SARs Plan may be amended or modified by the Crescita Board, without shareholder approval, provided that: (a) the participants in the Crescita SARs Plan will be advised by Crescita of any such amendments or modifications, unless they are immaterial or non-substantive; (b) any such amendments or modifications will not affect any Crescita Arrangement SARs then outstanding, unless consented to by the participant by whom such Crescita Arrangement SARs are held; and (c) any such amendments or modifications will be subject to shareholder approval if required by applicable laws or the policies of any stock exchange on which the Crescita Common Shares are listed.

The proposed form of the Crescita SARs Plan is attached as Appendix P. Reference should be made thereto for a complete statement of the terms and conditions of the Crescita SARs Plan.

TREATMENT OF NUVO WARRANTS AND NUVO BROKER WARRANTS

Each whole Nuvo Warrant entitles the holder thereof to purchase one Nuvo Common Share at a price of $3.00 per share until March 31, 2016. Each Nuvo Broker Warrant entitles the holder thereof to purchase one Nuvo Unit at a price of $2.54 per unit until March 31, 2016, each of which consists of one Nuvo Common Share and one-half of a Nuvo Warrant.

The Nuvo Warrants and Nuvo Broker Warrants are subject to an acceleration feature (the "**Acceleration Feature**") whereby if the 10-day volume weighted share price of the Nuvo Common Shares on the TSX is equal to or exceeds $3.50 at any time during the term of the Nuvo Warrants or the Nuvo Broker Warrants, as the case may be, Nuvo may elect to cause the Nuvo Warrants and/or the Nuvo Broker Warrants (including the Nuvo Warrants issuable upon the exercise of the Nuvo Broker Warrants) to expire on a date that is not less than 30 trading days from the date notice of the exercise of the Acceleration Feature is given by Nuvo in accordance with the terms of the Nuvo Warrants and Nuvo Broker Warrants.

As at December 31, 2015, Nuvo Warrants and Nuvo Broker Warrants (including Nuvo Warrants issuable upon the exercise of the Nuvo Broker Warrants) to purchase 65,497 Nuvo Common Shares were outstanding. On November 30, 2015, Nuvo provided notice to the Nuvo Warrant Holders that it has exercised the Acceleration Feature and that the Nuvo Warrants and Nuvo Broker Warrants (including Nuvo Warrants issuable upon the exercise of the Nuvo Broker Warrants) will expire, if not exercised on or prior to January 15, 2016.

PROCEDURE FOR THE ARRANGEMENT BECOMING EFFECTIVE AND ANTICIPATED TIMING

The Arrangement is proposed to be carried out pursuant to section 182 of the OBCA. The following procedural steps must be taken for the Arrangement to become effective:

(a) the Arrangement Resolution must be approved by not less than two-thirds of the votes cast by Shareholders voting, in person or by proxy, at a duly called meeting of Shareholders;

(b) the Arrangement must be approved by the Court in the manner described below under "*The Arrangement – Approvals and Other Conditions Precedent to the Arrangement – Court Approval*";

(c) the other conditions precedent to the Arrangement set out in the Arrangement Agreement must be satisfied or waived by the appropriate parties to that agreement; and

(d) the Articles of Arrangement and related documents, in the form prescribed by the OBCA, together with a copy of the Final Order and the Plan of Arrangement, must be sent to the OBCA Director in accordance with the OBCA and the Final Order, and the Certificate of Arrangement must be issued by the OBCA Director.

If the Meeting is held as scheduled and is not adjourned or postponed and the other necessary conditions at that point in time are satisfied or waived, Nuvo expects to apply for the Final Order approving the Arrangement. If the Final Order has been obtained by February 24, 2016, in form and substance satisfactory to Nuvo, and all other conditions set forth in the Arrangement Agreement are satisfied or waived on or before February 26, 2016, Nuvo expects the Arrangement Date will be on or about February 29, 2016. It is not possible, however, to state with certainty when the Arrangement Date will occur, if at all. As noted earlier, the Board will have the authority to determine when to effect the Arrangement as well as the authority to decide not to proceed with the Arrangement at all.

The Arrangement will become effective when the OBCA Director issues the Certificate of Arrangement.

APPROVALS AND OTHER CONDITIONS PRECEDENT TO THE ARRANGEMENT

Approval of Shareholders Required for the Arrangement

The Interim Order provides that the percentage of votes required to pass the Arrangement Resolution will be not less than two-thirds of the votes cast by Shareholders, voting in person or by proxy, at the Meeting. See "*Voting Information and General Proxy Matters – Procedure and Votes Required*". The Interim Order is attached as Appendix J.

Court Approval

An arrangement under the OBCA requires court approval. Subject to the terms of the Arrangement Agreement, and if the Arrangement Resolution is approved by Shareholders at the Meeting in the manner required by the Interim Order, Nuvo currently intends to apply promptly to the Court for the Final Order approving the Arrangement. The Notice of Application with respect to the application for the Final Order is attached as Appendix K.

The application for the Final Order approving the Arrangement is expected to be made on February 24, 2016, at 10:00 a.m. (Eastern Time), or as soon thereafter as counsel may be heard, at the Court located at 330 University Avenue, Toronto, Ontario, M5G 1R7. At the hearing, any Shareholder or any other interested party who wishes to participate or be represented or to present arguments or evidence may do so in accordance with the provisions of the Interim Order, provided that such a party shall serve on Nuvo and file with the Court no later than 5:00 p.m. (Eastern Time) on February 19, 2016, a notice of appearance as out in the Notice of Application with respect to the application for the Final Order and satisfy any other requirements of the Court.

The Nuvo Common Shares and Crescita Common Shares to be issued pursuant to the Arrangement will not be registered under the 1933 Act in reliance upon the exemption from registration provided by Section 3(a)(10) thereof. The Court will be advised at the hearing of the application for the Final Order that if the terms and conditions of the Arrangement are approved by the Court, such approval will constitute the basis for an exemption from the registration requirements of the 1933 Act, pursuant to Section 3(a)(10) thereof, with respect to the offer and sale of the securities to be issued pursuant to the Arrangement.

Nuvo has been advised by its counsel, Goodmans LLP, that the Court has broad discretion under the OBCA when making orders with respect to the Arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit. Depending upon the nature of any required amendments, the parties to the Arrangement Agreement may determine not to proceed with the Arrangement.

A copy of the Notice of Application and other documents in the court proceedings for the Final Order will be furnished to any Shareholder or any other interested party requesting the same by mail from the Corporation's Investor Relations Department at 7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4 or by facsimile at: 1-905-673-1842.

TSX Approval

The TSX has conditionally approved: (i) the listing on the TSX of the Crescita Common Shares to be issued pursuant to the Arrangement and the Crescita Incentive Plan (including the Crescita Common Shares which, as a result of the Arrangement, are issuable upon the exercise of Crescita Arrangement Options and settlement of Crescita Arrangement SARs); (ii) the listing on the TSX of the Nuvo Common Shares to be issued pursuant to the Arrangement upon the settlement of the Nuvo DSUs; (iii) the listing on the TSX of the Post-Arrangement Nuvo Common Shares to be issued pursuant to the Arrangement (including the Post-Arrangement Nuvo Common Shares which, as a result of the Arrangement, are issuable upon the exercise of Post-Arrangement Nuvo Options and settlement of Post-Arrangement Nuvo SARs) in substitution of the current listing of the Nuvo Common Shares; (iv) the

listing on the TSX of the Nuvo Butterfly Shares to be issued pursuant to the Arrangement; and (v) the listing on the TSX of the Holdco Common Shares to be issued pursuant to the Arrangement, in each case, subject to compliance with normal listing requirements.

Final approval will be subject to Nuvo or Crescita, as applicable, fulfilling all of the applicable requirements of the TSX. See "*The Arrangement – Stock Exchange Listings*".

Other Conditions Precedent to the Arrangement

In addition to receipt of the approvals, orders and rulings noted above, under the Arrangement Agreement, the following conditions must be satisfied before the Arrangement becomes effective:

(a) the Articles of Arrangement, Final Order, Plan of Arrangement and all necessary related documents, including this Management Information Circular, will have been filed with the applicable regulatory authorities;

(b) the Fairness Opinion shall not have been withdrawn or modified;

(c) all Shareholder, judicial and regulatory approvals and orders (including but not limited to, approvals of the TSX) necessary or reasonably desired by Nuvo for the completion of the Pre-Arrangement Transactions, the Arrangement and the transactions provided for in the Arrangement Agreement shall have been obtained and shall be in full force and effect;

(d) no action will have been instituted and be continuing on the Arrangement Date and there will not be in force any order or decree, in each case restraining or enjoining the consummation of the Pre-Arrangement Transactions, the Arrangement or the transactions contemplated by the Arrangement Agreement and no cease trading or similar order with respect to any securities of any of the parties to the Arrangement Agreement will have been issued and remain outstanding;

(e) no law, regulation or policy will have been proposed, enacted, promulgated or applied that interferes or is inconsistent with the completion of the Pre-Arrangement Transactions, the Arrangement or any of the other transactions contemplated by the Arrangement Agreement;

(f) Nuvo, Subco and Holdco will have entered into the Separation Agreement;

(g) the Board of Directors will not have revoked its approval of the Arrangement prior to it becoming effective; and

(h) the Arrangement Agreement will not have been terminated.

The conditions described above may be waived, in whole or in part, by Nuvo.

Final Board Authority

The Arrangement Agreement and the Arrangement Resolution both provide that the Arrangement shall only be effected upon the authorization of the Board of Directors to file the Articles of Arrangement and that the timing for effecting the Arrangement is in the sole and absolute discretion of Nuvo. In addition, the Arrangement Resolution proposed for consideration by the Shareholders authorizes the Board of Directors, without further notice to or approval of such Shareholders, to amend the Arrangement, to decide whether to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to the Arrangement becoming effective pursuant to the provisions of the OBCA. See Appendix A for the text of the Arrangement Resolution.

DISSENTING SHAREHOLDERS' RIGHTS

The following is a summary of Section 185 of the OBCA and the requirements of the Interim Order relating to the rights of Dissenting Shareholders and is qualified in its entirety by the provisions of Section 185 of the OBCA, as modified by the Interim Order and the Plan of Arrangement. These provisions are technical and complex. Any Registered Shareholder who wishes to exercise his, her or its Dissent Rights should consult a legal advisor. Failure to provide Nuvo with a Dissent Notice (as defined below) at or prior to 5:00 p.m. (Eastern Time) on the last business day preceding the Meeting and to strictly comply with the requirements of Section 185 of the OBCA, as modified by the Interim Order and the Plan of Arrangement, may prejudice a Shareholder's ability to exercise Dissent Rights. ***Anyone who is a Non-Registered Shareholder of Nuvo Common Shares registered in the name of a broker, custodian, nominee or other Intermediary and who wishes to dissent should be aware that only Registered Shareholders are entitled to exercise Dissent Rights.*** *A Registered Shareholder who holds Nuvo Common Shares as nominee for more than one Non-Registered Shareholder, some of whom wish to exercise Dissent Rights, must exercise such Dissent*

Rights on behalf of such holders. In such case, the Dissent Notice should specify the number of Nuvo Common Shares in respect of which Dissent Rights are being exercised.

Pursuant to the terms of the Interim Order, a Registered Shareholder is entitled to dissent from the Arrangement Resolution substantially in the manner provided in Section 185 of the OBCA, as modified by the Interim Order and the Plan of Arrangement. Section 185 of the OBCA, the Interim Order and the Plan of Arrangement are reproduced in their entirety as Appendix I, Appendix J and Appendix G of this Management Information Circular, respectively. The Court hearing the application for the Final Order has the discretion to alter the Dissent Rights as described herein, based on the evidence presented at such hearing.

Pursuant to the Interim Order, a Registered Shareholder is entitled to dissent and be paid by Nuvo the fair value of the holder's Nuvo Common Shares determined as at the close of business on the business day before the Meeting (or any adjournment(s) or postponement(s) thereof) provided that the Arrangement Resolution is passed, the Arrangement becomes effective and such Registered Shareholder provides Nuvo with a Dissent Notice at or prior to 5:00 p.m. (Eastern Time) on the last business day immediately preceding the date of the Meeting, or any adjournment(s) or postponement(s) thereof. It is important that Registered Shareholders strictly comply with this requirement, which is different from the statutory dissent provisions of the OBCA which would permit a Dissent Notice to be provided at or prior to the Meeting.

A Registered Shareholder who wishes to exercise Dissent Rights must provide to Nuvo (at 7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4, or by facsimile to 1-905-673-1842, Attention: Legal Department), at or prior to 5:00 p.m. (Eastern Time) on the last business day immediately preceding the date of the Meeting (or any adjournment(s) or postponement(s) thereof), a written objection to the Arrangement Resolution (a "**Dissent Notice**"). The filing of a Dissent Notice does not deprive a Registered Shareholder of the right to vote; however, the OBCA provides, in effect, that a Shareholder who has submitted a Dissent Notice and who votes for the Arrangement Resolution will no longer be considered a Dissenting Shareholder. The OBCA does not provide for, and Nuvo will not assume, that a proxy submitted instructing the proxyholder to vote against the Arrangement Resolution, an abstention or a vote against the Arrangement Resolution constitutes a Dissent Notice.

A Registered Shareholder may dissent only with respect to all (and not part) of the Nuvo Common Shares held by such holder, or on behalf of any one Non-Registered Shareholder, and registered in such holder's name. The Dissent Notice must be executed by or for the Registered Shareholder, fully and correctly, as such Registered Shareholder's name appears on the Registered Shareholder's share certificate(s). If the Nuvo Common Shares are owned of record by an Intermediary, the Dissent Notice must be given by the Intermediary. If the Nuvo Common Shares are owned of record by more than one Person, as in a joint tenancy or tenancy in common, the Dissent Notice should be given or delivered by or for all owners of record. An authorized agent, including one or more joint owners, may execute the Dissent Notice for a holder of record, however, such agent must expressly identify the record owner or owners, and expressly disclose in such Dissent Notice that the agent is acting as agent for the record owner or owners.

Within 10 days after the approval of the Arrangement Resolution by Shareholders, Nuvo is required to send notice to each Dissenting Shareholder who properly delivered a Dissent Notice, has otherwise complied with the requirements of Section 185 of the OBCA, the Interim Order and the Plan of Arrangement, and has not withdrawn the Dissent Notice, that the Arrangement Resolution has been approved. A Dissenting Shareholder must, within 20 days after receiving such notification or, if such notification is not received, within 20 days after learning that the Arrangement Resolution has been approved, send to Nuvo to the address set forth above a written notice (the "**Demand for Payment**") containing the Dissenting Shareholder's name and address, the number of Nuvo Common Shares in respect of which that Dissenting Shareholder dissents, and a demand for payment of the fair value of such Nuvo Common Shares. Within 30 days after sending the Demand for Payment, a Dissenting Shareholder must send the certificates representing the Nuvo Common Shares in respect of which such Dissenting Shareholder dissents to Nuvo to the address set forth above or CST Trust Company at P.O. Box 721, Agincourt, Ontario M1S 0A1. **A Dissenting Shareholder who fails to make a Demand for Payment or send such certificates within the aforementioned time limits, as the case may be, forfeits his, her or its right to make a claim under Section 185 of the OBCA, the Interim Order and the Plan of Arrangement.** Nuvo or CST Trust Company will endorse on such certificates a notice that the holder thereof is a Dissenting Shareholder under Section 185 of the OBCA, the Interim Order and the Plan of Arrangement and will forthwith return such certificates to the Dissenting Shareholder.

On filing a Demand for Payment, a Dissenting Shareholder ceases to have any rights as a holder of Nuvo Common Shares other than the right to be paid the fair value of such Nuvo Common Shares as determined in accordance with Section 185 of the OBCA, except where (i) the Dissenting Shareholder withdraws its Demand for Payment before Nuvo makes an Offer to Pay to the Dissenting Shareholder; (ii) an Offer to Pay is not made and the Dissenting Shareholder withdraws its Demand for Payment; or (iii) the Board of Directors revokes the Arrangement Resolution, the Arrangement Agreement is terminated or the application for the Final Order is refused by the Court and all appeal rights have been exhausted, in all of which cases the Dissenting Shareholder's rights as a Shareholder will be reinstated. Pursuant to the Plan of Arrangement, in no case shall Nuvo or any other person be required to recognize any Dissenting Shareholder as a Shareholder after the Arrangement Date, as the names of such Dissenting Shareholders shall be deleted from the register of Nuvo Common Shares at the time provided for in the Plan of Arrangement.

Nuvo is required, not later than seven days after the later of the Arrangement Date and the date on which Nuvo receives a Demand for Payment of a Dissenting Shareholder, to send to each Dissenting Shareholder who has sent a Demand for Payment an offer to pay ("**Offer to Pay**"), on behalf of Nuvo, relating to the Nuvo Common Shares covered by the Demand for Payment. The amount offered

in such Offer to Pay will be an amount determined by the Board of Directors to be the fair value of such Nuvo Common Shares. In addition, the Offer to Pay will be accompanied by a statement showing how such fair value was determined. Every Offer to Pay for Nuvo Common Shares must be on the same terms. The amount shown in any Offer to Pay which is accepted by a Dissenting Shareholder will be paid by Nuvo within 10 days of such acceptance, but an Offer to Pay will lapse if Nuvo has not received an acceptance from the Dissenting Shareholder within 30 days after the Offer to Pay has been made.

If an Offer to Pay is not made by Nuvo or if a Dissenting Shareholder fails to accept an Offer to Pay, Nuvo may, within 50 days after the Arrangement Date or within such further period as the Court may allow, apply to the Court to fix the fair value of the Nuvo Common Shares held by the Dissenting Shareholder. At the present time, Nuvo does not intend to apply to the Court to fix a fair value for the Nuvo Common Shares. If Nuvo fails to apply to the Court, the Dissenting Shareholder may apply to the Court for the same purpose within a period of 20 further days or within such further period as the Court may allow. No Dissenting Shareholder will be required to post security for costs in any such court application.

Before making an application to the Court, or within seven days of receiving a notice that a Dissenting Shareholder has made an application to the Court, Nuvo must give each Dissenting Shareholder who has sent a Demand for Payment and has not accepted an Offer to Pay notice of the date, place and consequences of the application and of his, her or its right to appear and be heard either in person or through counsel. All Dissenting Shareholders whose Nuvo Common Shares have not been purchased by Nuvo will be joined as parties to any such application and will be bound by the decision rendered by the Court. The Court may determine whether any other Person is a Dissenting Shareholder who should be joined as a party to such application.

The Court shall fix the fair value of the Nuvo Common Shares held by all Dissenting Shareholders and may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the Arrangement Date until the date of payment. There can be no assurance that a Dissenting Shareholder will receive consideration for his or her shares of equal value to the consideration that such Dissenting Shareholder would have received upon closing of the Arrangement.

Dissenting Shareholders who duly exercise Dissent Rights and who are ultimately entitled to be paid fair value for their Nuvo Common Shares shall be deemed to have transferred their Nuvo Common Shares to Nuvo for cancellation, without any further authorization, act or formality and free and clear of all liens, charges, claims and encumbrances, at the Arrangement Time immediately prior to any other transactions that will occur under the Plan of Arrangement. Such transfer shall be deemed to have been in consideration for a payment equal to the fair value of such Dissenting Shareholder's Nuvo Common Shares in the amount agreed to between Nuvo and the Shareholder or in the amount of a judgment of the court, as the case may be. Registered Shareholders who exercise, or purport to exercise, Dissent Rights, and who are ultimately determined not to be entitled, for any reason, to be paid fair value for their Nuvo Common Shares, will be deemed to have participated in the Arrangement on the same basis as Participating Shareholders as at and from the Arrangement Date.

EXPENSES OF THE ARRANGEMENT

Nuvo estimates that approximately $3.0 million in costs, fees and expenses will be incurred in relation to the Arrangement assuming that no Shareholders exercise Dissent Rights. These costs, fees and expenses will be primarily related to financing fees, advisory and other professional expenses, taxes, listing fees and the costs of producing, printing, mailing this Management Information Circular and other shareholder communications. All these costs, fees and expenses will be borne by Nuvo, with the exception of the fees for the listing of the Holdco Common Shares and Crescita Common Shares and certain other costs, fees and expenses identified in the Arrangement Agreement as being for the account of Crescita, which costs, fees and expenses are in the aggregate estimated to be approximately $0.2 million. In addition, each of Nuvo and Crescita will be responsible for all taxes properly attributable to it arising as a result of the transactions described herein or in respect of the property acquired thereunder. Nuvo does not expect that the transactions will give rise to any immediate material Canadian income tax liability.

STOCK EXCHANGE LISTINGS

Application has been made to the TSX to list the Crescita Common Shares, Nuvo Butterfly Shares and Holdco Common Shares to be issued pursuant to the Arrangement, the Crescita Incentive Plan and the Crescita SARs Plan on the TSX. The TSX has conditionally approved the listing of such Crescita Common Shares, Nuvo Butterfly Shares and Holdco Common Shares on the TSX, subject to the satisfaction of customary conditions of the TSX.

Nuvo has also made an application to the TSX to list (a) the Nuvo Common Shares to be issued pursuant to the Arrangement upon the settlement of the Nuvo DSUs and (b) the Post-Arrangement Nuvo Common Shares to be issued pursuant to the Arrangement, the Amended and Restated Nuvo Incentive Plan and the Amended and Restated Nuvo SARs Plan in substitution of the current listing of the Nuvo Common Shares, on the TSX. The TSX has conditionally approved the listing of such Nuvo Common Shares and Post-Arrangement Nuvo Common Shares on the TSX, subject to the satisfaction of customary conditions of the TSX.

These listings are each a pre-condition to closing the Arrangement and will be subject to Nuvo or Crescita, as applicable, fulfilling all of the applicable requirements of the TSX.

The prices at which the Crescita Common Shares and Nuvo Common Shares will trade following the Arrangement will be determined by the market and cannot be predicted. For further details on these risks and uncertainties relating to the trading prices of the Crescita Common Shares and Nuvo Common Shares, see "*Risk Factors — Trading Prices*".

Due Bills

Due bills are entitlements which attach to listed securities undergoing certain material corporate events. For example, in the case of a stock split, due bills represent the entitlement to the additional split securities, or in the case of a special cash distribution, due bills represent the entitlement to the cash. For trading purposes, due bills attach to such securities between the second trading day prior to the record date and the payment date, allowing listed securities to carry the value of the entitlement until it has been paid. The ex-distribution date is deferred to the first trading day after the payment date. Purchasers of the securities during the due bill period therefore pay full value for the securities, including the value of the distribution represented by the due bill. The seller, who is the holder on the record date and the prospective recipient of the distribution, therefore sells the right to the distribution to the purchaser.

Due bill trading will be used for the Post-Arrangement Nuvo Common Shares such that any Post-Arrangement Nuvo Common Share traded between the Arrangement Date and the close of trading on the date that the certificates representing the Crescita Common Shares are distributed as described above under the heading "*The Arrangement – Distribution of Crescita Common Share Certificates*" will automatically carry the right to receive one Crescita Common Share. Shareholders trading Post-Arrangement Nuvo Common Shares during the due bill period will not be required to take any special action. Any trades of Post-Arrangement Nuvo Common Shares that are executed during the due bill period will be automatically flagged to ensure purchasers receive the Crescita Common Shares and sellers do not.

SECURITIES LAW MATTERS

Canadian Securities Laws

The Nuvo Common Shares and the Crescita Common Shares to be issued or transferred pursuant to the Arrangement will be issued or transferred in reliance on exemptions from prospectus and registration requirements of applicable Canadian securities laws. In accordance with the applicable securities legislation, the Nuvo Common Shares and the Crescita Common Shares may be resold without restriction, subject to the conditions that no unusual effort is made to prepare the market for the resale or create a demand for the shares and no extraordinary commission or consideration is paid in respect of the resale and to customary restrictions applicable to distributions of securities held by control persons and persons in "special relationships" to the relevant company.

The Arrangement is not subject to the requirements of MI 61-101 because it is not a "business combination" or a "related party transaction" within the meaning of MI 61-101.

United States Securities Laws

The Nuvo Common Shares and the Crescita Common Shares to be issued to Shareholders pursuant to the Arrangement will not be registered under the 1933 Act in reliance upon the exemption from registration under the 1933 Act provided by Section 3(a)(10) thereof. Section 3(a)(10) of the 1933 Act provides an exemption from registration under the 1933 Act for offers and sales of securities issued in exchange for one or more outstanding securities where the terms and conditions of the issuance and exchange of such securities have been approved by a court authorized to grant such approval after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on January 7, 2016 and, subject to the approval of the Arrangement by the Shareholders at the Meeting on February 18, 2016, it is expected that a hearing on the Arrangement will be held on February 24, 2016 at 10:00 a.m. (Eastern Time), or as soon thereafter as counsel may be heard, at 330 University Avenue, Toronto, Ontario, M5G 1R7. All Shareholders are entitled to appear and be heard at this hearing. The Final Order will constitute a basis for the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof with respect to the securities to be issued pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order. See "*The Arrangement – Approvals and Other Conditions Precedent to the Arrangement – Court Approval*" in this Management Information Circular.

Former Shareholders who are not "affiliates" of Nuvo or Crescita immediately after the Arrangement and have not been "affiliates" of Nuvo or Crescita within 90 days of the resale in question, may resell Nuvo Common Shares or Crescita Common Shares received by them in the Arrangement within or outside the United States without restriction under the 1933 Act. Former Shareholders who are "affiliates" of Nuvo or Crescita after the Arrangement or within 90 days of the resale in question may not resell their Nuvo Common Shares or Crescita Common Shares without an exemption from registration under the 1933 Act. For the purposes of the 1933 Act, an "affiliate" of Nuvo or Crescita is a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with Nuvo or Crescita, as the case may be.

Subject to applicable Canadian requirements, holders of Nuvo Common Shares and Crescita Common Shares who are affiliates of Nuvo or Crescita, respectively, solely by virtue of serving as an officer or director, may immediately resell such securities outside the

United States without registration under the 1933 Act pursuant to Regulation S. Any such sales must be made in "offshore transactions" within the meaning of Regulation S and neither the seller, nor an affiliate, nor any Person acting on their behalf may engage in "directed selling efforts" (as defined in Regulation S) in the United States. Additionally, no selling concession, fee or other remuneration may be paid in connection with any such offer or sale other than a usual and customary broker's commission that would be received by a Person executing such transaction as agent. For the purposes of Regulation S, "directed selling efforts" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Nuvo Common Shares and Crescita Common Shares.

For the purposes of Regulation S, an "offshore transaction" is a transaction that meets the following requirements: (i) the offer is not made to a Person in the United States, and (ii) either (A) at the time the buy order is originated, the buyer is outside the United States, or the seller and any Person acting on its behalf reasonably believe that the buyer is outside the United States, or (B) the transaction is executed in, on or through the facilities of a designated offshore securities market (which would currently include the TSX), and neither the seller nor any Person acting on its behalf knows that the transaction has been pre-arranged with a buyer in the United States; and (iii) offers and sales are not specifically targeted at identifiable groups of U.S. citizens abroad.

Certain additional Regulation S restrictions are applicable to a holder of Nuvo Common Shares or Crescita Common Shares who will be an affiliate of Nuvo or Crescita, respectively, other than by virtue of his status as an officer or director. Nuvo and Crescita each currently qualifies as a "foreign issuer".

In addition, Persons who are affiliates of Nuvo or Crescita after the Arrangement or within 90 days of the resale in question will be entitled to resell in the United States during any three-month period, that number of Nuvo Common Shares or Crescita Common Shares, respectively, that does not exceed the greater of one percent of the then outstanding securities of such class or if such securities become listed on a United States national securities exchange, the average weekly trading volume of such securities during the four-week period preceding the date of sale, subject to certain restrictions on manner of sale, notice requirements, aggregation rules and the availability of public information about Nuvo and/or Crescita, as the case may be (as to which there can be no assurance). Affiliates of Nuvo or Crescita prior to the Arrangement who are not affiliates of Nuvo or Crescita after the Arrangement must, for 90 days following the Arrangement, comply with the requirements set forth in the preceding sentence but thereafter may resell such securities without regard to any of these requirements, provided that such Persons have not been affiliates of Nuvo and/or Crescita, as the case may be, during the 90 days preceding the resale.

Shareholders are urged to consult their legal advisors prior to disposing of Nuvo Common Shares or Crescita Common Shares received in the Arrangement to determine the extent of all applicable resale provisions.

NUVO PRIOR TO THE ARRANGEMENT

Nuvo currently operates through two distinct business units: the Topical Products and Technology Group (the "**TPT Group**") and the Immunology Group. The TPT Group has four commercial products, a pipeline of topical and transdermal products focusing on various therapeutic areas including pain and dermatology and multiple drug delivery platforms that support the development of patented formulations that can deliver actives into or through the skin. The TPT Group includes Nuvo's lead commercial stage FDA-approved products, Pennsaid and Pennsaid 2%. The Immunology Group has two commercial products and an immune system modulation platform that supports the development of drug products that modulate chronic inflammation processes resulting in a therapeutic benefit.

DOCUMENTS INCORPORATED BY REFERENCE

For further information in respect of Nuvo prior to the Arrangement, see the following publicly filed documents of Nuvo, each of which is incorporated by reference in, and form part of, this Management Information Circular:

1. Nuvo's annual information form dated February 19, 2015;

2. the Nuvo Annual Financial Statements, and Nuvo's management's discussion and analysis in respect of those financial statements;

3. Nuvo's material change report dated February 4, 2015 with respect to the results of the Corporation's Phase 2 clinical trial conducted in Germany comparing, among other things, the safety and efficacy of WF10 and its main constituents (sodium chlorite and sodium chlorate);

4. Nuvo's management information circular dated April 1, 2015 with respect to the annual meeting of shareholders held on May 13, 2015;

5. the Nuvo Interim Financial Statements, and Nuvo's management's discussion and analysis in respect of those financial statements;

6. Nuvo's material change report dated December 18, 2015 with respect to the execution of the Arrangement Agreement; and

7. Nuvo's material change report dated December 24, 2015 with respect to the results of the Corporation's Phase 2 clinical trial conducted in Ontario, Canada to assess the efficacy, safety and tolerability of a regimen of five WF10 infusions.

Any document of the type referred to in the preceding paragraph, any material change reports (excluding confidential reports), any unaudited interim financial statements for interim periods following September 30, 2015 (together with any management's discussion and analysis filed in connection therewith) and any business acquisition report, in each case filed by Nuvo with a provincial securities commission or any similar authority in Canada after the date of this Management Information Circular and prior to the Arrangement Date (or if Nuvo announces that the Arrangement will not be completed, prior to the date of the Meeting), will be deemed to be incorporated by reference into this Management Information Circular. Copies of these documents may be obtained at www.sedar.com or upon request and without charge from the Corporation's Investor Relations Department at 7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4 or by facsimile at: 1-905-673-1842.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Management Information Circular to the extent that a statement contained herein, or in any other subsequently filed document, which also is or is deemed to be incorporated by reference herein, modifies or supersedes that statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Management Information Circular.

NUVO FOLLOWING THE ARRANGEMENT

The following is a summary of certain material changes to the description of Nuvo contained in Nuvo's publicly filed documents incorporated by reference into this Management Information Circular resulting from the Arrangement or the related transactions described elsewhere herein.

BUSINESS

Following completion of the Arrangement, Nuvo, together with certain subsidiaries, will continue to own and operate the Speciality Pharmaceutical Business. The Speciality Pharmaceutical Business will be comprised of a portfolio of commercial products and pharmaceutical manufacturing capabilities. Nuvo will have three commercial products that are available in a number of countries, Pennsaid 2%, Pennsaid and the HLT Patch. Nuvo will be focused on licensing the rights to Pennsaid 2% in those territories that are available as well as looking for new contract manufacturing opportunities and strategic acquisitions to increase the commercial product portfolio and to expand the Corporation's manufacturing capacity and capabilities. For certain material risks associated with Nuvo's operations and the industry in which it will operate following completion of the Arrangement, see "*Risk Factors*".

As part of the Plan of Arrangement, Nuvo will change its name from "Nuvo Research Inc." to "Nuvo Pharmaceuticals Inc.".

Nuvo's commercial products will include:

Pennsaid 2%

Pennsaid 2% is the follow-on product to original Pennsaid (described below). Pennsaid 2% is a topical non-steroidal anti-inflammatory drug ("**NSAID**") containing 2% diclofenac sodium compared to 1.5% for original Pennsaid. It is more viscous than original Pennsaid, is supplied in a metered dose pump bottle and has been approved in the U.S. for twice daily dosing compared to four times a day for Pennsaid. This provides Pennsaid 2% with advantages over Pennsaid and other competitor products, and with patent protection.

Pennsaid 2% was approved on January 16, 2014 in the U.S. and launched by Mallinckrodt in February 2014 for the treatment of pain of osteoarthritis ("**OA**") of the knee. OA is the most common joint disease affecting middle-age and older people. It is characterized by progressive damage to the joint cartilage and causes changes in the structures around the joint. These changes can include fluid accumulation, bony overgrowth and loosening and weakness of muscles and tendons, all of which may limit movement and cause pain and swelling. In the U.S. market, Pennsaid 2% was originally licensed to Mallinckrodt. In September 2014, the Corporation reached a settlement related to its litigation with Mallinckrodt. Under the terms of the settlement agreement, Mallinckrodt returned the U.S. sales and marketing rights to Pennsaid 2% to Nuvo. In October 2014, Nuvo sold the U.S. rights to Pennsaid 2% to Horizon for US$45.0 million. Under the terms of this agreement, the Corporation earns revenue from product sales of Pennsaid 2% to Horizon. In January 2015, Horizon launched its commercial sale and marketing of Pennsaid 2% in the U.S. Pennsaid 2% is currently only approved in the U.S.

Paladin has exclusive rights to market and sell Pennsaid 2% in Canada. In November 2014, the Corporation reacquired from Paladin the rights to market Pennsaid 2% in South America, Central America, South Africa and Israel. As consideration for these rights, Nuvo provided its authorization to Paladin to market, sell and distribute an authorized generic version of Pennsaid in Canada.

NovaMedica has exclusive rights to sell and market Pennsaid and Pennsaid 2% in Russia and some of the CIS. NovaMedica has assumed responsibility for conducting all studies that may be required to obtain approval of Pennsaid 2% in those countries for which it has marketing rights. NovaMedica informed Nuvo that the studies were completed successfully and that they are moving forward with their application to obtain regulatory approval for Pennsaid 2%.

In January 2014, the European Patent Office issued European Patent No. 2 086 504 that provides protection for the Pennsaid 2% formulation and its use. In 2014, the patent was validated in 9 European countries.

Additional clinical and non-clinical studies may be required to support applications for the regulatory approval of Pennsaid 2% in other countries in which Nuvo, or other licensees and distributors, could potentially market the product. Nuvo is conducting a Phase 3 clinical study in Germany using Pennsaid 2% for the treatment of acute sprains and strains to support regulatory approval applications for Pennsaid 2% in international jurisdictions. Top-line results of this study are expected in the first quarter of 2016. There can be no assurance that the current and future trials and studies will be sufficient for regulatory authorities in any jurisdiction or that all studies will yield successful results or that the required regulatory approvals will be obtained.

Pennsaid

Pennsaid, the Corporation's first commercialized topical pain product, is used to treat the signs and symptoms of OA of the knee. Pennsaid combines a transdermal carrier (containing dimethyl sulfoxide, popularly known as "**DMSO**") with diclofenac sodium, a NSAID and delivers the active drug through the skin at the site of pain. While conventional oral NSAIDs expose patients to potentially serious systemic side effects such as gastrointestinal bleeding and cardiovascular risks, Nuvo's clinical trials suggest that some of these systemic side effects occur less frequently with topically applied Pennsaid.

Pennsaid is also approved for sale and marketing in Canada, Greece, Italy and the United Kingdom. Nuvo does not directly market Pennsaid in these jurisdictions. Nuvo earns revenue from its partners in the form of product sales. In Canada, Nuvo also earns a royalty on Canadian net sales.

In 2013, Nuvo licensed the exclusive rights to sell and market Pennsaid and Pennsaid 2% in Russia and some of the CIS to NovaMedica. NovaMedica is responsible for conducting required clinical studies and obtaining regulatory approval for the products in the licensed territories.

HLT Patch

The HLT Patch is a topical patch that combines lidocaine, tetracaine and heat, using Nuvo's proprietary Controlled Heat-Assisted Drug Delivery ("**CHADD**"™) technology. The CHADD unit generates gentle heating of the skin and in a well-controlled clinical trial has demonstrated that it contributes to the efficacy of the HLT Patch by improving the flux rate of lidocaine and tetracaine through the skin. The HLT Patch resembles a small adhesive bandage in appearance and for its currently approved indication is applied to the skin 20 to 30 minutes prior to painful medical procedures, such as venous access, blood draws, needle injections and minor dermatologic surgical procedures.

In the U.S., the HLT Patch is marketed under the brand name "Synera" by Galen. Synera is approved in the U.S. to provide local dermal analgesia for superficial venous access and superficial dermatological procedures, such as excision, electrodessication and shave biopsy of skin lesions. In July 2013, Nuvo sold the rights to sell and market Synera in the U.S. to Galen for its current indication. Under the terms of the license agreement, Nuvo earns royalties on the net sales of Synera and is eligible to receive sales milestones. The HLT Patch has FDA Orange Book listed patents, the latest of which expires in July 2020.

In most countries in the E.U., the HLT Patch is marketed under the trade name Rapydan and is approved for surface anaesthesia of normal intact skin in connection with needle punctures in adults and children from 3 years of age and for use in cases of superficial surgical procedures on normal intact skin in adults. Nuvo has licensed the sales and marketing rights to Eurocept for all countries in Europe, Israel and the People's Republic of China. Eurocept has responsibility for all commercialization activities and costs, including marketing, selling and medical education in the aforementioned countries. Under the terms of the license agreement, Nuvo earns royalties on the net sales of Rapydan and is eligible to receive sales milestones.

The HLT Patch is manufactured by a third party contract manufacturing organization ("**CMO**") for Galen and Eurocept. Currently, Nuvo manufactures the bulk drug substance for both parties.

In May 2012, Nuvo entered into a license and supply agreement granting Paladin exclusive Canadian rights to market and sell the HLT Patch, upon regulatory approval. Under the terms of the agreement, Nuvo will receive a double digit royalty on net sales of the HLT Patch in Canada and will supply the HLT Patch to Paladin. The HLT Patch has not yet been approved by Canadian regulatory authorities for sale and marketing in Canada.

Nuvo holds the sales and marketing rights for the HLT Patch in Mexico, South America, Australia, Africa and most regions in Asia. Nuvo is planning to look for licensing partners in these territories. The HLT Patch is not approved in any of these territories.

The HLT Patch has been studied extensively on more than 1,400 subjects in 26 clinical trials. Trials on the HLT Patch have been conducted in pediatric, adult and geriatric patient populations with pharmacokinetic ("**PK**") trials, toxicology studies in animals and dermal safety studies in humans supporting the safe use of the HLT Patch. In a controlled clinical trial that compared Synera to EMLA Cream ("**EMLA**"), the HLT Patch showed significantly reduced patient-reported pain intensity as compared to EMLA for venous access procedures following application times of 10, 20 and 30 minutes. The p-values for each time point were 0.010, 0.042 and 0.001.

Manufacturing

Nuvo has a manufacturing facility in Varennes, Québec that produces Pennsaid, Pennsaid 2% and the bulk drug products for the HLT Patch. Nuvo manufactures these products for all of its global partners for all markets where the products are sold. The facility is in compliance with current GMPs. In September 2012 and February 2013, the plant passed two FDA inspections as part of the U.S. Pennsaid 2% NDA review and U.S. Synera sNDA review.

Additional information relating to Nuvo has been incorporated by reference herein under "*Nuvo Prior to the Arrangement – Documents Incorporated by Reference*". Following completion of the Arrangement, Nuvo will no longer own or operate the Drug Development Business.

SUMMARY HISTORICAL AND PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following summary historical consolidated financial information for the nine months ended and as at September 30, 2015 has been derived from the Nuvo Interim Financial Statements. The summary *pro forma* information for the nine months ended and as at September 30, 2015 is presented as if the Arrangement had been effected on January 1, 2014, for purposes of the *pro forma* operating results, and on September 30, 2015 for purposes of the *pro forma* balance sheet data.

The following summary historical consolidated financial information for the year ended and as at December 31, 2014 has been derived from the Nuvo Annual Financial Statements. The summary *pro forma* information for the year ended and as at December 31, 2014 is presented as if the Arrangement had been effected on January 1, 2014 for purposes of the *pro forma* operating results.

The summary *pro forma* information is derived from the Nuvo Pro Forma Financial Statements.

This summary historical and *pro forma* financial information should be read in conjunction with the Nuvo Interim Financial Statements and Nuvo Annual Financial Statements and the related management's discussion and analysis, each of which is incorporated by reference in this Management Information Circular, and the Nuvo Pro Forma Financial Statements included in Appendix L.

The *pro forma* financial information has been prepared for illustrative purposes only and may not be indicative of the operating results or financial condition that would have been achieved if the Arrangement had been completed on the dates or for the periods noted above, nor do they purport to project the results of operations or financial position for any future period or as of any future date. In addition to the *pro forma* adjustments that comprise this *pro forma* financial information, various other factors will have an effect on the financial condition and results of operations of Nuvo following the completion of the Arrangement.

Canadian dollars, in thousands (except per share)	Nine months ended September 30, 2015		Year ended December 31, 2014	
	Historical $	Pro Forma $	Historical $	Pro Forma $
Operating results				
Product sales	12,042	11,502	6,470	5,832
Royalties	1,045	877	5,458	5,266
Research and other contract revenue	422	422	505	505
Licensing fees	-	-	624	624
Total Revenue	13,509	12,801	13,057	12,227
Total operating expenses	21,565	10,283	27,080	11,618
Other (income) expenses	(647)	(683)	(52,632)	(53,703)
Income tax expense (recovery)	7	7	19	19
Net Income (Loss)	(7,416)	3,194	38,590	54,293
Net earnings (loss) per share				
Basic	$(0.68)	$0.29	$3.85	$5.28
Diluted	$(0.68)	$0.28	$3.71	$4.98
Financial Position (as at period end)				
Total Assets	57,589	21,069	65,140	
Total Liabilities	8,703	4,713	9,477	
Total Equity	48,886	16,356	55,663	

CONSOLIDATED CAPITALIZATION

The following table represents the share and loan capitalization of the Nuvo operations as at September 30, 2015, as adjusted to give effect to the Arrangement. You should read this table in conjunction with the Nuvo Pro Forma Financial Statements attached as Appendix L to this Management Information Circular.

Description	As at September 30, 2015 as adjusted (in thousands)
Long-term debt	-
Total Shareholder Equity	16,356
Total Capitalization	**16,356**

CAPITAL STRUCTURE AND MARKET FOR SECURITIES

Capital Structure

As one of the final steps of the Arrangement, the articles of incorporation of Nuvo will be amended by removing the Nuvo Butterfly Shares and the Class A Common Shares from the share capital which Nuvo is authorized to issue. As a result of these amendments, immediately following the Arrangement, Nuvo's authorized share capital will be the same as it is currently and will consist of an unlimited number of Nuvo Common Shares (which will be the sole class of common shares in the share capital of Nuvo) and an unlimited number of first and second preferred shares, issuable in series. The articles of incorporation of Nuvo will be restated to reflect this and such restated articles will be filed with the OBCA Director.

TSX Listing

It is a pre-condition to the Arrangement that the Nuvo Common Shares continue to be listed on the TSX after the completion of the Arrangement. The TSX has conditionally approved the continued listing of the Nuvo Common Shares on the TSX, subject to the satisfaction of customary conditions of the TSX.

Dividend Policy

Dividends will be payable on the Nuvo Common Shares if and when declared by the Board of Directors. Nuvo has never paid dividends on the Nuvo Common Shares and does not expect to pay dividends on the Nuvo Common Shares in the near future. As a result, the return on an investment in the Nuvo Common Shares will depend upon any future appreciation in value. There is no guarantee that the Nuvo Common Shares will appreciate in value or even maintain the price at which they initially trade following completion of the Arrangement (or the price at which the Nuvo Common Shares trade immediately prior to the completion of the Arrangement).

DIRECTORS AND OFFICERS

With the exception of Daniel Chicoine, Dr. Henrich Guntermann and Katina Loucaides, the management team of Nuvo will remain in place following the completion of the Arrangement. Nuvo will be led by John London, Nuvo's current President and Co-Chief Executive Officer, who will become President and Chief Executive Officer of Nuvo following the Arrangement and Stephen Lemieux, who will continue as Nuvo's Chief Financial Officer.

Nuvo will also benefit from continuity at the Board level. Daniel Chicoine, David Copeland, Anthony Dobranowski, John London, Dr. Jacques Messier and Samira Sakhia will continue as directors of Nuvo. Dr. Henrich Guntermann, Dr. Klaus von Lindeiner and Dr. Theodore Stanley are expected to resign from their positions as directors of Nuvo immediately following completion of the Arrangement and become directors of Crescita.

CRESCITA FOLLOWING THE ARRANGEMENT

Reference is made to Appendix M for a detailed description of Crescita following the Arrangement.

RISK FACTORS

If the Arrangement Resolution is approved at the Meeting and the Arrangement is completed, immediately following the Arrangement Time, Shareholders will hold both Nuvo Common Shares and Crescita Common Shares. Accordingly, a Shareholder will become a shareholder of Crescita and will remain a shareholder of Nuvo and will be subject to all of the risks associated with the operations of Nuvo and Crescita and the industries in which such corporations operate. Those risks include the risk factors set forth in Nuvo's annual information form for the year ended December 31, 2014, which is incorporated by reference into this Management Information Circular. This document has been filed on SEDAR at www.sedar.com and, upon request to Nuvo's Investor Relations Department at ir@nuvoresearch.com, a Shareholder will be provided with a copy of this document free of charge, and Shareholders are urged to read such risk factors carefully. Additional risk factors relating to the Arrangement and the business of Nuvo following the completion of the Arrangement are set out below. For a complete discussion of the risk factors relating to the business of Crescita following the completion of the Arrangement, please see "*Risk Factors*" in Appendix M to this Management Information Circular.

RISKS RELATING TO THE ARRANGEMENT

The combined trading prices of the Nuvo Common Shares and Crescita Common Shares after the Arrangement may be less than the trading price of the Nuvo Common Shares immediately prior to the Arrangement.

There can be no assurance as to the prices at which the Nuvo Common Shares and the Crescita Common Shares will trade following the completion of the Arrangement. The combined trading prices of Nuvo Common Shares and Crescita Common Shares received by a Shareholder pursuant to the Arrangement may be materially less than the trading price of the Nuvo Common Shares immediately prior to the Arrangement.

There is currently no established market for the Post-Arrangement Nuvo Common Shares or the Crescita Common Shares, and even if markets do develop, current shareholders of Nuvo may be unwilling or unable to hold Nuvo Common Shares and/or Crescita Common Shares after the Arrangement, which could have a negative effect on trading prices

There is not currently a public market for the Post-Arrangement Nuvo Common Shares or the Crescita Common Shares and there can be no assurance that public markets for these shares will develop after the Arrangement becomes effective or as to the prices at which trading in these shares will occur even if public markets do develop after the Arrangement. If public markets for the Post-Arrangement Nuvo Common Shares and/or the Crescita Common Shares do develop, there may be a significant number of shareholders who wish to sell their Crescita Common Shares or their Post-Arrangement Nuvo Common Shares. Some shareholders may determine that they do not wish to have an investment solely in the Drug Development Business or the Specialty Pharmaceutical Business, as applicable. In addition, following completion of the Arrangement, some shareholders may be subject to investment restrictions which preclude them from holding Crescita Common Shares or Post-Arrangement Nuvo Common Shares, while other shareholders may elect to sell for different reasons. If there are a significant number of sellers of the Crescita Common Shares or the

Post-Arrangement Nuvo Common Shares without a corresponding number of buyers, the trading price of those shares could decline and such decline could be material.

Nuvo may delay or amend the implementation of all or part of the Arrangement or may proceed with the Arrangement even if certain consents and approvals are not obtained on a timely basis.

Nuvo continues to seek and obtain certain necessary consents and approvals in order to implement the Arrangement and related transactions as currently structured. Nuvo may not obtain such consents and approvals on acceptable terms prior to the expected Arrangement Date. If certain approvals and consents are not received prior to the expected Arrangement Date, Nuvo may decide to proceed nonetheless, or it may either delay or amend the implementation of all or part of the Arrangement in order to allow sufficient time to complete such matters.

Nuvo and Crescita will have indemnification obligations to each other following the Arrangement that could be significant.

Nuvo and Crescita have each agreed to indemnify the other for certain liabilities and obligations related to, among other things, in the case of Crescita's indemnity, the Drug Development Business, and in the case of Nuvo's indemnity, the Speciality Pharmaceutical Businesses. These indemnification obligations could be significant. If Nuvo or Crescita has to indemnify the other for any substantial obligations, it may not be able to satisfy those obligations.

As separate companies, the respective businesses of Nuvo and Crescita will be less diversified.

The Drug Development Business and the Speciality Pharmaceutical Business operate in different industries. Nuvo currently benefits from the diversification resulting from its ownership and operation of both of these businesses. The Arrangement will separate the ownership and operation of these businesses. Accordingly, this separation will result in reduced diversification which, in turn, will exacerbate the risks associated with the particular industry in which each company operates.

There are certain costs related to the Arrangement that must be paid even if the Arrangement is not completed.

There are certain costs related to the Arrangement, such as those for legal and accounting advisory services, printing and the Fairness Opinion, that must be paid even if the Arrangement is not completed. There are also opportunity costs associated with the diversion of management attention away from the conduct of business in the ordinary course.

Nuvo or Crescita may default in its obligations under the Separation Agreement and/or ancillary agreements

For a period of time following the completion of the Arrangement, Crescita will depend on Nuvo and Nuvo will depend on Crescita to undertake certain actions and provide certain services to facilitate the orderly transfer of the Drug Development Business to Crescita and the operation of Crescita as an independent public company. If Nuvo or Crescita defaults in any of its obligations under the Separation Agreement and/or the ancillary agreements (including the Transitional Services Agreement), Crescita's or Nuvo's operations, as applicable, may be materially affected.

RISKS RELATING TO NUVO FOLLOWING THE ARRANGEMENT

Dependence on Pennsaid 2% in the U.S. Market

The majority of Nuvo's revenue comes from the sale of Pennsaid 2% in the U.S. market and we expect this will continue in the future. Nuvo has no influence on the sales and marketing activities for Pennsaid 2% in the U.S. and all decisions impacting sales and marketing efforts are made by Horizon. If Horizon is unable to be successful in selling Pennsaid 2% or stops selling Pennsaid 2% for any reason, or if a generic version of Pennsaid 2% launches when approved, it would have a material adverse effect on Nuvo's product sales, profitability and cash resources.

Dependence on Sales and Marketing Partnerships

Nuvo has limited sales and marketing experience and lacks financial and other resources necessary to undertake marketing and advertising activities worldwide. Accordingly, Nuvo relies on marketing arrangements, including licensing or other third-party arrangements, to distribute its products in jurisdictions where it lacks the resources or expertise. Nuvo faces, and will continue to face, significant competition in seeking appropriate partners and distributors. Moreover, collaboration and distribution arrangements are complex and time consuming to negotiate, document and implement. Therefore, there can be no assurance that Nuvo will be able to find additional marketing and distribution partners in any jurisdiction or be able to enter into any marketing and distribution arrangements on acceptable terms or at all. Moreover, there can be no assurance that Nuvo's partners will dedicate the resources needed to successfully market and distribute Nuvo's products and maximize sales. In addition, under these arrangements, disputes may arise with respect to payments that Nuvo or its partners believe are due under such distribution or marketing arrangements, a partner or distributor may develop or distribute products that compete with Nuvo's products or they may terminate the relationship.

Nuvo has licensed the rights for Pennsaid in Canada, Greece and Italy and has no influence on sales and marketing activities for this product in the licensed territories.

Nuvo has licensed the rights for the HLT Patch to Galen for the U.S. and Eurocept for the E.U. and certain other territories and has no influence on sales and marketing activities for this product in the licensed territories.

Nuvo depends on all of its partners and licensees to comply with all government legislation and regulations relating to selling Nuvo's products in their respective territories. If any of our partners do not comply, this could have a material impact on the cash flows of Nuvo.

Economic Environment

Economic conditions may limit Nuvo's ability to access capital or may cause Nuvo's suppliers to increase their prices, reduce their output or change their terms of sale. If Nuvo's customers' or suppliers' operating and financial performance deteriorates or if they are unable to make scheduled payments or obtain credit, its customers may not be able to pay or may delay payment of accounts receivable owed and its suppliers may restrict credit or impose different payment terms. Any inability of customers to pay Nuvo for its products or any demands by suppliers for different payment terms, may adversely affect its earnings and cash flow.

Nuvo has no control over changes in inflation and interest rates, foreign currency exchange rates and controls or other economic factors affecting its businesses or the possibility of political unrest, legal and regulatory changes in jurisdictions in which Nuvo operates. These factors could negatively affect Nuvo's future results of operations in those markets.

Generic Drug Manufacturers

Nuvo faces competition from manufacturers of generic drugs on some of its commercial products, since a number of Nuvo's patents have expired, or if not yet expired, may be ignored by generic drug manufacturers who choose to launch their products "at risk" of a possible patent infringement lawsuit brought by Nuvo or its licensing partners. Generic competition may impact the prices at which Nuvo's products are sold, the royalty rates Nuvo receives and the volume of products sold, all of which may substantially reduce Nuvo's overall revenues. Generic versions of drugs are generally significantly cheaper than the branded version, and, where available, may be required or encouraged in preference to the branded version under third-party reimbursement programs or substituted by pharmacies for branded versions by law. The entrance of generic competition to Nuvo's branded products generally reduces the market share and adversely affects Nuvo's profitability and cash flows.

In 2014, a generic version of Pennsaid was launched in Canada. Nuvo's partner in Canada has launched an authorized generic to compete with the generic version of Pennsaid and protect market share. Nuvo's revenues from royalties and product sales in Canada were negatively impacted as a result of the launch of these generic versions.

In the U.S., Pennsaid 2% is protected by multiple patents listed in the FDA Orange Book and has received 3-year exclusivity under the "Hatch-Waxman Act". All of the intellectual property for Pennsaid 2% for the U.S. is owned by Horizon and it is their responsibility to litigate any claims against these patents from generic companies. The approval or launch of generic versions of Pennsaid 2% in the U.S. market could have an adverse effect on Nuvo's future revenue from product sales.

Manufacturing and Supply Risks

Nuvo purchases key raw materials necessary for the manufacture of its products and finished products from a limited number of suppliers around the world and in some cases relies on its licensing partners to manufacture its products.

In the case of Pennsaid and Pennsaid 2%, Nuvo has a supply agreement with a single supplier based in the U.S. to purchase all of Nuvo's requirements for pharmaceutical grade DMSO (one of the key ingredients in Pennsaid and Pennsaid 2%) until December 31, 2022 using the supplier's patented process. It may be difficult to find another manufacturer if the supplier is unable to supply Nuvo with a sufficient amount of DMSO or if Nuvo is forced for any other reason to find another supplier. It could take another supplier a significant period of time to develop and certify the necessary processes to manufacture the product on terms acceptable to Nuvo or the relevant regulatory authorities. There may not be suppliers who are able to meet Nuvo's volume or quality requirements at a price that is as favourable as the current supplier. Any operating, production or quality problems experienced by these suppliers that result in a reduction or interruption in supply could significantly delay the manufacture and sale of Nuvo's products.

For the HLT Patch, Galen and Eurocept are responsible for manufacturing the patch and both rely on the same CMO in the U.S. Nuvo depends on Galen and Eurocept to ensure the CMO remains a qualified supplier of the product for all global markets and will have limited ability, if any, to control the manufacturing process. The HLT Patch also contains the active drugs lidocaine and tetracaine and in the past, the form of tetracaine used in the product has, at times, been difficult to procure. Nuvo is reliant on Galen and Eurocept to ensure that the CMO maintains the facility at which it manufactures the HLT Patch in compliance with FDA, EMA, state and local regulations and other regulatory agencies. If the CMO fails to maintain compliance with FDA, EMA or other critical

regulations, they could be ordered to cease manufacturing which would have an adverse impact on Nuvo's business, results of operations, financial condition and cash flows. In addition to FDA regulations, violation of standards enforced by the Environmental Protection Agency, the Occupational Safety and Health Administration, and their counterpart agencies at the state level, could slow down or curtail operations of the CMO.

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

As a result, in the case where only one supplier of a particular API or critical raw material meets all of the FDA's (or other regulatory agencies) requirements and has a DMF (or similar filing) on file with the FDA, Nuvo is at risk should a supplier violate GMPs, fail an FDA inspection, terminate access to its DMF, be unable to manufacture the product, choose not to supply Nuvo or decide to increase prices. For tetracaine, Nuvo has only one approved supplier for all jurisdictions in which the HLT Patch has been approved. For Pennsaid and Pennsaid 2%'s API, diclofenac sodium, Nuvo has two approved suppliers for Canada and the E.U., but only one approved supplier for the U.S. For some of Nuvo's other raw materials required to manufacture Pennsaid and the bulk substance for the HLT Patch, Nuvo currently has only one approved supplier.

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

Nuvo's current internal manufacturing capabilities are limited to its site in Varennes, Québec, which is the sole manufacturer of Pennsaid, Pennsaid 2% and the bulk drug product for the HLT Patch for all markets. Nuvo has never achieved capacity at this facility. This exposes Nuvo to the following risks, any of which could delay or prevent the commercialization of its products, result in higher costs or deprive it of potential product revenues:

- Nuvo may encounter difficulties in achieving volume production, quality control and quality assurance, as well as relating to shortages of qualified personnel. Accordingly, Nuvo might not be able to manufacture sufficient quantities to meet its clinical trial needs or to commercialize its products;

- Nuvo's manufacturing facility is required to undergo satisfactory current GMPs inspections prior to regulatory approval and are obliged to operate in accordance with FDA, E.U. and other nationally mandated GMPs, which govern manufacturing processes, stability testing, record keeping and quality standards. Failure to establish and follow GMPs and to document adherence to such practices, may lead to significant delays in the availability of material for clinical studies and may delay or prevent filing or approval of marketing applications for Nuvo's products; and

- Changing manufacturing locations would be difficult and the number of potential manufacturers is limited. Changing manufacturers generally requires re-validation of the manufacturing processes and procedures in accordance with FDA, E.U. and other nationally mandated GMPs. Such re-validation may be costly and would be time consuming. It would be difficult or impossible to quickly find replacement manufacturers on acceptable terms, if at all.

Nuvo's manufacturing facility is subject to ongoing periodic unannounced inspection by the FDA and corresponding agencies, including E.U. and Canadian agencies, and may be subject to inspection by local, state, provincial and federal authorities from various jurisdictions to ensure strict compliance with GMPs and other government regulations. Failure by Nuvo to comply with applicable regulations could result in sanctions being imposed on it, including fines, injunctions, civil penalties, failure of the government to grant review of submissions or market approval of drugs, delays, suspension or withdrawal of approvals, seizures or recalls of product, operating restrictions, facility closures and criminal prosecutions, any of which could materially adversely affect Nuvo's business.

Nuvo may encounter manufacturing failures that could impede or delay commercial production of its products. Any failure in our manufacturing operations could cause us to be unable to meet the demand for our products and lose potential revenues and harm our reputation. Our manufacturing operations may encounter difficulties involving, among other things, production yields, regulatory compliance, quality control and quality assurance and shortages of qualified personnel.

Impact of demand fluctuations outside our ability to control or influence

In general, our marketing partners are required to provide us with 12 to 24 month rolling forecasts of their demand on a quarterly basis, and are also required to place firm purchase orders with us based on the near-term portion of those forecasts. If wholesaler or market demand for these products is lower than forecasted, our marketing partners or their wholesaler customers may accumulate excess inventory. If such conditions persist, our marketing partners may sharply reduce subsequent purchase orders for a sustained period of time until such excess inventory is consumed, if ever. Significant and unplanned reductions in our manufacturing orders have occurred in the past and our results of operations were adversely affected. If such reductions occur again in the future, our revenues will be negatively impacted, we will lose our economies of scale, and our revenues may be insufficient to fully absorb our overhead costs, which could result in net losses. Conversely, if our marketing partners promote significantly increased demand, we may not be able to manufacture such unplanned increases in a timely manner, especially following prolonged periods of reduced demand. As we have no control over these factors our purchase orders could fluctuate significantly from quarter to quarter, and the results of our operations could fluctuate accordingly.

Impact of natural disasters or other events that disrupt our business operations

Nuvo's manufacturing facility is located in Varennes, Quebec, where natural disasters or similar events, like blizzards, fires or explosions or large-scale accidents or power outages, could severely disrupt our operations, and have a material adverse effect on our business, results of operations, financial condition and prospects. If a disaster, power outage or other event occurred that prevented us from using all or a significant portion this facility, that damaged critical infrastructure or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time.

Competition for Pennsaid and Pennsaid 2%

Several major pharmaceutical companies have developed oral COX-2 selective NSAIDs designed to reduce gastrointestinal side effects associated with other types of NSAIDs. Many of these products have been taken off the market or drug development has stopped in response to safety concerns. Those that remain represent competition for market share. While Nuvo believes that topical administration gives Pennsaid and Pennsaid 2% a better safety profile than oral NSAIDs, including those with proton pump inhibitors and COX-2 selective medications, Nuvo may be subject to regulations and regulatory decisions of governing bodies, such as the FDA in the U.S., including label warnings that apply to NSAIDs generally.

Pennsaid 2% faces competition in the U.S. from at least two other topically applied diclofenac drug products available by prescription that were approved for marketing by the FDA, as well as numerous OTC products. The FLECTOR Patch, which contains the NSAID diclofenac epolamine was approved by the FDA for the topical treatment of acute pain due to minor strains, sprains and contusions and is marketed by one of the largest healthcare companies in the world. The second drug product, Novartis' Voltaren Gel which contains the NSAID diclofenac sodium was approved by the FDA for the relief of the pain of OA of joints amenable to topical treatment, such as the knees and those of the hand and is marketed by Endo Pharmaceuticals Inc. Both of these topical products have achieved respectable sales levels and they provide significant competition for market share. If patients and practitioners believe these competing products provide pain relief, it may be difficult for our partner to convince them to use Pennsaid 2% or conversely, if they do not believe that they provide pain relief this may create a perception that all topically applied products have similar efficacy, making it more difficult to convince physicians and their patients of the value of Pennsaid 2%.

In Canada, a competitor's generic version of Pennsaid was launched in 2014. In addition, our partner launched an authorized generic to protect market share. The launch of these generic versions of Pennsaid had an adverse impact on Nuvo's revenue from Canada. A topical diclofenac product, Novartis' Voltaren Emulgel (1.16% w/w diclofenac diethylamine) has been available in Canada as an OTC product since October 2008. In August 2014, Voltaren Emulgel Extra Strength (2.32% w/w diclofenac diethylamine) was approved in Canada as an OTC product and was launched by Novartis in October 2014. In the E.U., several major pharmaceutical companies market oral and topical NSAIDs that compete against Pennsaid in countries where it is marketed.

In addition to recently approved products, there may be other companies that are developing topical NSAID products for the U.S. and other markets that may present additional competition in the future. Like Pennsaid and Pennsaid 2%, these drugs may be efficacious yet reduce the incidence of some of the side effects associated with oral NSAIDs.

The impact of competitive branded products and generic products could have a significant adverse effect on Pennsaid 2% product sales in the U.S. market, as well as the resulting level of royalties earned and product sales in Canada from Pennsaid sales.

Competition for the HLT Patch

The HLT Patch faces competition in all markets from other topically applied local anaesthetic drug products such as compounded anaesthetic creams that are available from certain pharmacies, EMLA Cream (a eutectic mixture of lidocaine 2.5% and prilocaine 2.5%), and L.M.X 4 and L.M.X.5 Anorectal Creams that are available OTC.

Products May Fail to Achieve Market Acceptance

Nuvo's commercial products may not achieve market acceptance and, as a result, may not generate sufficient revenues. Market acceptance of Nuvo's products by physicians or patients will depend on a number of factors, including:

- availability, cost and effectiveness of products when compared to competing products and alternative treatments;
- relative convenience and ease of administration;
- the prevalence and severity of any adverse side effects;
- the acceptance of competing products;
- pricing, which may be subject to regulatory control;
- effectiveness of marketing and distribution partners' sales and marketing strategies; and
- the ability to obtain sufficient third-party insurance coverage or reimbursement.

If any product commercialized by Nuvo does not provide a treatment regimen that is as beneficial as the current standard of care or otherwise does not provide patient benefit, there is the potential that it will not achieve market acceptance. This may result in a shortfall in revenues and an inability to achieve or maintain profitability.

Obtaining Government and Regulatory Approvals

The manufacturing, packaging, labeling, approval, storage, selling, marketing and distribution of drug products are subject to extensive regulation in the U.S. by the FDA, in Canada by the TPD and by similar regulatory authorities in the E.U., Japan and elsewhere, and regulations and requirements differ from country-to-country. Despite the time and expense exerted by Nuvo, failure can occur at any stage.

In addition to the regulatory product approval framework, pharmaceutical companies are subject to a number of other regulations covering occupational safety, laboratory practices, environmental protection and hazardous substance control. They may also be subject to existing and future local, provincial, state, federal and foreign regulation, including possible future regulation of the overall industry.

Failure to obtain necessary regulatory approvals, the restriction, suspension or revocation of existing approvals or any other failure to comply with regulatory requirements, could have a material adverse effect on Nuvo's business, financial condition and operational results.

United States Regulation

The FDA has substantial discretion in the drug approval process. Even once drug candidates are approved, these approvals may be withdrawn if compliance with regulatory standards is not maintained or if problems occur after the product reaches the market. The FDA may require further testing and surveillance programs to monitor the pharmaceutical product that has been commercialized. Non-compliance with applicable requirements can result in fines and other judicially imposed sanctions, including product seizures, injunction actions and criminal prosecutions.

In addition, the FDA has the authority to regulate the claims Nuvo's partners make in marketing its prescription drug products to ensure that such claims are true, not misleading, supported by scientific evidence and consistent with the product's approved labelling. Failure to comply with FDA requirements in this regard could result in, among other things, suspensions or withdrawal of approvals, product seizures and injunctions against the manufacture, holding, distribution, marketing and sale of a product, civil and criminal sanctions.

Canada Regulation

Product approvals from the TPD may be withdrawn if compliance with regulatory standards is not maintained or if problems occur after the product reaches the market. The TPD may require further testing and surveillance programs to monitor a pharmaceutical product which has been commercialized. Non-compliance with applicable requirements can result in fines and other judicially imposed sanctions, including product seizures, injunction actions and criminal prosecutions.

Changes in Government Regulation

The business of Nuvo may be adversely affected by such factors as changes in the regulatory environment with respect to intellectual property, regulation, export controls or product marketing approvals. Such changes remain beyond Nuvo's control and have an unpredictable impact.

Patents, Trademarks and Proprietary Technology

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

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

The laws of some countries do not protect intellectual property rights to the same extent as the laws of Canada and the U.S. and many companies have encountered significant problems in protecting and defending such rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favour the enforcement of patents, trademarks and other intellectual property protection, particularly those protections relating to biotechnology and pharmaceuticals, which could make it difficult for Nuvo to stop the infringement of its patents. Proceedings to enforce patent rights in foreign jurisdictions could result in substantial cost and divert efforts and attention from other aspects of the business.

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

Ability to Protect Know How and Trade Secrets

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

Publications of Negative Study or Clinical Trial Results

The publication of negative results of studies or clinical trials related to Nuvo's products, or the therapeutic areas in which its products compete, may adversely affect sales, the prescription trends for the products, the reputation of the products and the price of the Nuvo Common Shares. From time to time, studies or clinical trials on various aspects of pharmaceutical products are conducted by Nuvo, academics or others, including government agencies. The results of these studies or trials, when published, may have a dramatic effect on the market for the pharmaceutical product that is the subject of the study. In the event of the publication of negative results of studies or clinical trials related to Nuvo's marketed products or the therapeutic areas in which these products compete, the business, financial condition, results of operations and cash flows of Nuvo may be adversely affected.

Reimbursement and Product Pricing

There can be no assurance that Pennsaid, Pennsaid 2%, or the HLT Patch will be successfully commercialized in current markets or that the additional regulatory approvals necessary to commercialize Pennsaid, Pennsaid 2%, and the HLT Patch in markets where they are not currently approved will be obtained.

In Canada, private health coverage insurers have generally approved reimbursement of Pennsaid costs, but government health authorities have not approved such reimbursement. Obtaining reimbursement approval for a product from each government or other third-party payer is a time consuming and costly process that could require Nuvo to provide supporting scientific, clinical and cost effectiveness data for the use of its products to each payer. In certain territories, this process is the responsibility of the licensee and Nuvo will have little financial impact from this process except to the extent the licensees are forced to provide significant discounts or rebates which would affect the level of net sales of the product and reduce the amount of royalties Nuvo earns. Nuvo may not have or be able to provide data sufficient to gain acceptance with respect to reimbursement. Even when a payer determines that a product is eligible for reimbursement, they may impose coverage limitations that preclude payment for some approved uses or that full reimbursement may not be available for Nuvo's products.

Furthermore, even after approval for reimbursement for Nuvo's products is obtained from private health coverage insurers or government health authorities, it may be removed at any time. Significant uncertainty exists as to the reimbursement status of newly approved healthcare products and there can be no assurance that third-party coverage will be sufficient to give Nuvo an appropriate return on its investment in developing existing or new products. Increasingly, government and other third-party payers are attempting to contain expenditures for new therapeutic products by limiting or refusing coverage, limiting reimbursement levels, imposing high co-pays, requiring prior authorizations and implementing other measures. Inadequate coverage or reimbursement could adversely affect market acceptance of Nuvo's products. Third-party payers increasingly challenge the pricing of pharmaceutical products. Moreover, the trend toward managed healthcare in the U.S., the growth of organizations such as health maintenance organizations and reforms to healthcare and government insurance programs, could significantly influence the purchase of healthcare services and products, resulting in lower prices and reduced demand for Nuvo's products.

In the U.S., each third-party payer plan is organized into tiers and the number of tiers will vary. Each tier represents a different reimbursement level. There is no guarantee that Nuvo's products will be reimbursed even at tiers where the reimbursement amounts are minimal.

In some countries, particularly the countries of the E.U., the pricing of prescription pharmaceuticals is subject to government control. In these countries, pricing negotiations with governmental authorities can take considerable time and delay the introduction of a product to the market. To obtain reimbursement or pricing approval in some countries, Nuvo may be required to conduct a clinical trial that compares the cost effectiveness of its product candidate to other available therapies. If reimbursement of Nuvo's product is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, its business could be adversely affected. In addition, any country could pass legislation or change regulations affecting the pricing of pharmaceuticals before or after a regulatory agency approves any of its product candidates for marketing in ways that could adversely affect Nuvo. While Nuvo cannot predict the likelihood of any legislative or regulatory changes, if any government or regulatory agency adopts new legislation or new regulations, Nuvo's business could be harmed.

Potential Product Liability

Nuvo may be subject to product liability claims associated with the use of its products either after their approval or during clinical trials and there can be no assurance that liability insurance will continue to be available on commercially reasonable terms or at all. Product liability claims might also exceed the amounts or fall outside of such coverage. Product liability claims against Nuvo, regardless of their merit or potential outcome, could be costly and divert management's attention from other business matters or adversely affect its reputation and the demand for its products.

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

There can be no assurance that a product liability claim or series of claims brought against Nuvo would not have a material adverse effect on its business, financial condition, results of operations and cash flows. If any claim is brought against Nuvo, regardless of the success or failure of the claim, there can be no assurance that Nuvo will be able to obtain or maintain product liability insurance in the future on acceptable terms or with adequate coverage against potential liabilities or the cost of a recall.

Hazardous Materials and Environmental

Nuvo's products involve the use of potentially hazardous materials, and as a result, it is exposed to potential liability claims and costs associated with complying with laws regulating hazardous waste. Manufacturing activities involve the use of hazardous materials, including chemicals, and are subject to federal, provincial and local laws and regulations governing the use, manufacture, storage,

handling and disposal of hazardous materials and waste products. However, accidental injury or contamination from these materials may occur. In the event of an accident, Nuvo could be held liable for any damages, which could exceed its available financial resources. In addition, Nuvo may be required to incur significant costs to comply with environmental laws and regulations in the future.

Quarterly Fluctuations

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

Personnel

Nuvo depends upon certain key members of its manufacturing and management teams. The loss of any of these individuals could have a material adverse effect on Nuvo. Nuvo does not maintain key-man insurance on any employee.

Nuvo's success depends, in large part, on its ability to continue to attract and retain qualified scientific, manufacturing and management personnel. Nuvo faces intense competition for such personnel. It may not be able to attract and retain qualified management, manufacturing and scientific personnel in the future. Also, it must provide training for its employee base due to the highly specialized nature of pharmaceutical products.

Further, Nuvo expects that its growth and potential expansion will place additional requirements on management, operational and financial resources. Nuvo expects these demands will require an increase in the number of management and manufacturing personnel and development of additional expertise by existing personnel. The failure to attract and retain such personnel, or to develop such expertise, could materially adversely affect prospects for its success. In addition, to attract qualified personnel, Nuvo may be required to establish offices in different locations. Failure of personnel in different locations to work effectively together could materially adversely affect Nuvo's success.

Given these potential challenges, current personnel may be unable to adapt or may not have the appropriate skills and Nuvo may fail to assimilate and train new employees. Highly skilled employees with the education and training required are in high demand. Once trained, Nuvo's employees may be hired by its competitors.

Information Technology Infrastructure

Despite the implementation of security measures, Nuvo's information systems and those of our contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. Such events could cause interruption of our operations. Nuvo's business depends on the efficient and uninterrupted operation of computer and communications systems and networks, hardware and software systems and other information technology. If systems were to fail or Nuvo was unable to successfully expand the capacity of these systems or was unable to integrate new technologies into its existing systems, its operations and financial results could suffer.

Litigation and Regulation

From time-to-time, during the ordinary course of business, Nuvo is threatened with, or is named as a defendant in various legal proceedings, including lawsuits based upon product liability, patent infringement, personal injury, breach of contract and lost profits or other consequential damage claims.

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

Acquisition and Integration of Complementary Technologies or Businesses

Nuvo plans to pursue product or business acquisitions that would complement or expand its business. However, it may not be able to identify appropriate acquisition candidates in the future. If an acquisition candidate is identified, Nuvo may not be able to successfully negotiate the terms of any such acquisition or finance such acquisition. Any such acquisition could result in unanticipated costs or liabilities, diversion of management's attention from the core business, the expenditure of resources and the

potential loss of key employees, particularly those of the acquired organizations. In addition, Nuvo may not be able to successfully integrate any businesses, products, technologies or personnel that it might acquire in the future, which may harm its business.

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

Inability to Achieve Expected Savings from Restructurings

Nuvo may, from time-to-time, seek to restructure its operations, which may require it to incur restructuring charges and it may not be able to achieve the level of benefits that it expects to realize from any restructuring activities or it may not be able to realize these benefits within the expected time frames. Furthermore, upon the closure of any facilities in connection with restructuring efforts, Nuvo may not be able to divest such facilities at a fair price or in a timely manner. Changes in the amount, timing and character of charges related to restructurings and the failure to complete or a substantial delay in completing any restructuring plan could have a material adverse effect on Nuvo's business.

Losses Due to Foreign Currency Fluctuations

Nuvo anticipates that the majority of the revenue from manufacturing products may be in currencies other than Canadian dollars. Fluctuation in the exchange rate of the Canadian dollar relative to these other currencies could result in Nuvo realizing a lower profit margin on sales of its product candidates than anticipated at the time of entering into such commercial agreements. Adverse movements in exchange rates could have a material adverse effect on Nuvo's financial condition and results of operations.

Taxes

Nuvo is a Canadian corporation and is subject to the tax laws and regulations of Canadian federal, provincial and local governments.

Significant judgment is required in determining Nuvo's provision for income taxes and claims for investment tax credits related to qualifying Scientific Research and Experimental Development expenditures in Canada. Various internal and external factors may have favourable or unfavourable effects on future provisions for income taxes and Nuvo's effective income tax rate. These factors include, but are not limited to, changes in tax laws, regulations and/or rates, results of audits by tax authorities, changing interpretations of existing tax laws or regulations, changes in estimates of prior years' items, future levels of R&D spending and changes in overall levels of income before taxes. Furthermore, new accounting pronouncements or new interpretation of existing accounting pronouncements can have a material impact on Nuvo's effective income tax rate.

Nuvo could be impacted by certain tax treatments for various revenue streams in different tax jurisdictions. If a tax authority has a different interpretation from Nuvo's, it could potentially impose additional taxes, penalties or fines. This would potentially reduce the amounts of revenue ultimately received by Nuvo.

Nuvo, from time to time, has executed multiple reorganization transactions impacting its tax structure. If a tax authority has a different interpretation from Nuvo's, it could potentially impose additional taxes, penalties or fines.

Volatility of Nuvo Common Share Price

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

The market price of the Nuvo Common Shares could fluctuate significantly for many other reasons, including for reasons unrelated to our specific performance, such as reports by industry analysts, investor perceptions, or negative announcements by our customers, competitors or suppliers regarding their own performance, as well as general economic and industry conditions. For example, to the extent that other large companies within our industry experience declines in their stock price, the share price of the Nuvo Common Shares may decline as well. In addition, when the market price of a company's shares drops significantly, shareholders often institute securities class action lawsuits against the company. A lawsuit against us could cause us to incur substantial costs and could divert the time and attention of our management and other resources.

Sales of a substantial number of the Nuvo Common Shares may cause the price of the Nuvo Common Shares to decline.

Any sales of substantial numbers of the Nuvo Common Shares in the public market or the exercise of significant amounts of Nuvo Options or the perception that such sales or exercise might occur, whether as a result of Crescita's separation from Nuvo or otherwise, may cause the market price of the Nuvo Common Shares to decline.

The distribution of the Post-Arrangement Nuvo Common Shares to Shareholders whose investment profile may not be consistent with Nuvo's investment profile following the Arrangement may lead to significant sales of the Nuvo Common Shares or a perception that such sales may occur, either of which could have a material adverse effect on the market for and market price of the Nuvo Common Shares.

Dilution from Further Equity Financing and Declining Share Price

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

Issue of Preference Shares

Nuvo's Board of Directors has the authority to issue undesignated preference shares in one or more series and, before issue, to fix the designation of, and the rights and restrictions attached to, the preference shares of each series, without consent from holders of Nuvo Common Shares. Preference shares could be issued with voting, dividend, liquidation, dissolution, winding-up and other rights superior to those of the holders of Nuvo Common Shares.

Absence of Dividends

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

Shareholders' Rights Plan

Nuvo has adopted the Nuvo Rights Plan which among other things requires anyone who seeks to acquire 20% or more of the outstanding Nuvo Common Shares to make a bid complying with specific provisions contained in the plan. Failure of the acquirer to comply with the provisions of the Nuvo Rights Plan can trigger rights held by existing shareholders that may make the acquisition less attractive to the acquirer. The presence of this plan could prevent or delay a change of control and may deprive or limit strategic opportunities for shareholders to sell their shares.

Securities Industry Analyst Research Reports

The trading market for the Nuvo Common Shares is influenced by the research and reports that industry or securities analysts publish about Nuvo or any of its partners. If covered, a decision by an analyst to cease coverage of Nuvo or fail to regularly publish reports on Nuvo, could cause Nuvo to lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline. Moreover, if an analyst who covers Nuvo or any of its partners downgrades its or its partner's stock, or if operating results do not meet analysts' expectations, the stock price could decline. Currently, to Nuvo's knowledge, one analyst publishes research reports about Nuvo. Nuvo and its products have also been discussed in analyst research reports published about its partners and competitors.

Compliance with Laws and Regulations Affecting Public Companies

Any future changes to the laws and regulations affecting public companies, compliance with existing provisions of MI 52-109 and the other applicable Canadian securities laws and regulation and related rules and policies, may cause Nuvo to incur increased costs as it evaluates the implications of new rules and implements any new requirements. Delays or a failure to comply with the new laws, rules and regulations could result in enforcement actions, the assessment of other penalties and civil suits.

Any new laws and regulations may make it more expensive for Nuvo to provide indemnities to Nuvo's officers and directors and may make it more difficult to obtain certain types of insurance, including liability insurance for directors and officers. Accordingly, Nuvo may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for Nuvo to attract and retain qualified persons to serve on its Board of Directors or as executive officers. Nuvo may be required to hire additional personnel and utilize additional outside legal,

accounting and advisory services, all of which could cause general and administrative costs to increase beyond what Nuvo currently has planned. Nuvo is continuously evaluating and monitoring developments with respect to these laws, rules and regulations and it cannot predict or estimate the amount of the additional costs it may incur or the timing of such costs.

Nuvo is required annually to review and report on the effectiveness of its internal control over financial reporting in accordance with MI 52-109. The results of this review are reported in Nuvo's Annual Report and in its Management's Discussion and Analysis of Results of Operations and Financial Condition. Nuvo's Co-Chief Executive Officers and Chief Financial Officer are required to report on the effectiveness of Nuvo's internal control over financial reporting.

Management's review is designed to provide reasonable assurance, not absolute assurance, that all material weaknesses existing within Nuvo's internal controls are identified. Material weaknesses represent deficiencies existing in Nuvo's internal controls that may not prevent or detect a misstatement occurring which could have a material adverse effect on the quarterly or annual financial statements of Nuvo. In addition, management cannot provide assurance that the remedial actions being taken by Nuvo to address any material weaknesses identified will be successful, nor can management provide assurance that no further material weaknesses will be identified within its internal controls over financial reporting in future years.

If Nuvo fails to maintain effective internal controls over its financial reporting, there is the possibility of errors or omissions occurring or misrepresentations in Nuvo's disclosures which could have a material adverse effect on Nuvo's business, its financial statements and the value of the Nuvo Common Shares.

Public Company Requirements May Strain Resources

As a public company, Nuvo is subject to the reporting requirements of the *Securities Act* (Ontario), as amended, the regulations and rules thereto, including the national and multilateral instruments adopted as rules, decisions, rulings and orders promulgated under the Act and the published policy statements issued by the OSC and the listing requirements of the TSX. The ever increasing obligations of operating as a public company will require significant expenditures and will place additional demands on management as Nuvo complies with the reporting requirements of a public company. Nuvo may need to hire additional accounting, financial and legal staff with appropriate public company experience and technical accounting and regulatory knowledge.

In addition, actions that may be taken by significant shareholders may divert the time and attention of Nuvo's Board of Directors and management from its business operations. Campaigns by significant investors to effect changes at publicly traded companies have increased in recent years. If a proxy contest were to be pursued by any of Nuvo's shareholders, it could result in substantial expense to Nuvo and consume significant attention of management and the Board of Directors. In addition, there can be no assurance that any shareholder will not pursue actions to effect changes in the management and strategic direction of Nuvo, including through the solicitation of proxies from Nuvo's stockholders.

Management of Growth

Nuvo's future growth, if any, may cause a significant strain on management, operational, financial and other resources. The ability to effectively manage growth will require Nuvo to improve and/or expand its scientific, operational, financial and management information systems and to train, manage and motivate its employees. These demands may require the addition of new management personnel and the development of additional expertise by management. Any increase in resources devoted to research, product and business development without a corresponding increase in scientific, operational, financial and management information systems could have a material adverse effect on performance. The failure of Nuvo's management team to effectively manage growth could have a material adverse effect on Nuvo's business, financial condition and results of operations.

CERTAIN INCOME TAX CONSEQUENCES

Certain Canadian Federal Income Tax Consequences to Shareholders

In the opinion of McMillan LLP, counsel to Nuvo and its Affiliates in respect of the tax matters relating to the Arrangement and related transactions, the following summary fairly presents the principal Canadian federal income tax considerations relating to the Arrangement generally applicable to Shareholders.

This summary is not applicable to a Shareholder: (i) that is a "financial institution" for the purposes of the "mark-to-market" rules; (ii) that is a "specified financial institution"; (iii) an interest in which is a "tax shelter investment"; or (iv) that has elected to determine its "Canadian tax results" in a "functional currency" that is currency of a country other than Canada, each as defined in the Tax Act. This summary also does not apply to a Shareholder who has entered or will enter into a "derivative forward agreement" as that term is defined in the Tax Act with respect to their Nuvo Common Shares, Nuvo Butterfly Shares, Holdco Common Shares or Crescita Common Shares, or that is a corporation resident in Canada and is, or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of the shares described herein, controlled by a non-resident corporation for purposes of the foreign affiliate dumping rules in section 212.3 of the Tax Act.

This summary does not address the Canadian federal income tax considerations applicable to the holders of Nuvo Options, Nuvo DSUs or Nuvo SARs.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder as enacted to the date of this Management Information Circular, the Tax Proposals and counsel's understanding of the published administrative practices and policies of the CRA in effect as at the date of this Management Information Circular. It is not certain that any of the Tax Proposals will be enacted in the form announced or at all. This summary is not exhaustive of all considerations under the Tax Act and, except for the Tax Proposals, does not take into account or anticipate any changes in the law or administrative practices or policies of the CRA, whether by judicial, governmental or legislative action or decision, nor does it take into account other federal tax legislation or the tax legislation of any province or territory of Canada, or of any foreign jurisdiction. Provincial and territorial income tax legislation varies in Canada and in some cases differs from federal income tax legislation.

This summary is of a general nature only and is not intended to be, and should not be construed to be, legal, business or tax advice to any particular Shareholder, and no representations with respect to the tax consequences to any particular Shareholder are made. Shareholders should consult their own tax advisors to determine the tax consequences to them of the Arrangement having regard to their particular circumstances, including the application and effect of the income and other tax laws of any country, province, territory, state or local tax authority.

Shareholders Resident in Canada

The following portion of the summary is applicable generally to Shareholders who: (i) at all relevant times are, or are deemed to be, resident in Canada for purposes of the Tax Act; (ii) deal at arm's length with, and are not "affiliated" with, Nuvo and Crescita for the purposes of the Tax Act; and (iii) hold their Nuvo Common Shares, and will hold all other shares discussed in the following summary, as "capital property" ("**Resident Shareholders**").

Generally, the Nuvo Common Shares, the Nuvo Butterfly Shares, the Holdco Common Shares and the Crescita Common Shares will be considered to be capital property to a Resident Shareholder, provided that such Resident Shareholder does not use or hold such shares in the course of carrying on a business and has not acquired such shares in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Resident Shareholders whose Nuvo Common Shares, Nuvo Butterfly Shares, Holdco Common Shares or Crescita Common Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such shares, and any other "Canadian security" (as defined in the Tax Act) owned in the taxation year in which the election is made and all subsequent taxation years, deemed to be capital property.

Exchange of Nuvo Common Shares for Post-Arrangement Nuvo Common Shares and Nuvo Butterfly Shares

Each Resident Shareholder (other than a Dissenting Shareholder) will, in exchange for each Nuvo Common Share, receive one Post-Arrangement Nuvo Common Share and one Nuvo Butterfly Share. On such exchange, a Resident Shareholder will be deemed to have disposed of such Nuvo Common Shares for proceeds of disposition equal to the adjusted cost base of such shares at the time of the exchange. Accordingly, a Resident Shareholder will not realize a capital gain or a capital loss as a result of such share exchange.

The aggregate adjusted cost base of the Post-Arrangement Nuvo Common Shares and Nuvo Butterfly Shares acquired by a Resident Shareholder on this share exchange will be equal to the adjusted cost base immediately before the share exchange of the Nuvo Common Shares disposed of by the holder on the share exchange. The adjusted cost base immediately before the share exchange of a Resident Shareholder's Nuvo Common Shares will be allocated among the Resident Shareholder's Post-Arrangement Nuvo Common Shares and Nuvo Butterfly Shares in proportion to the relative fair market value of such shares immediately after the share exchange. Nuvo intends to inform Resident Shareholders on Nuvo's website following the Arrangement as to Nuvo's estimate of the proportionate allocation; however, Nuvo's allocation will not be binding on the CRA or on any particular Resident Shareholder.

Exchange of Nuvo Butterfly Shares for Crescita Common Shares

Each Nuvo Butterfly Share acquired by a Resident Shareholder pursuant to the Arrangement will be transferred by the Resident Shareholder to Crescita in consideration for the issuance to the particular Resident Shareholder of one Crescita Common Share. On such transfer, a Resident Shareholder who does not include in computing income for the year any portion of the resulting gain or loss, as otherwise determined, will be deemed to have disposed of such Nuvo Butterfly Shares for proceeds of disposition equal to the adjusted cost base of such shares immediately prior to such exchange. Accordingly, such Resident Shareholder will not realize a capital gain or a capital loss as a result of this share exchange. The cost of the Crescita Common Shares acquired by such Resident Shareholder will be equal to the adjusted cost base immediately before the share exchange of the Nuvo Butterfly Shares disposed of by the holder on the share exchange.

Amalgamation of Subco and Holdco

On the amalgamation of Subco and Holdco, Resident Shareholders will not recognize any capital gain or capital loss as a result of the conversion of their common shares of Holdco into common shares of the amalgamated entity and the aggregate adjusted cost base of their common shares of Holdco will become the aggregate adjusted cost base of their new common shares of the amalgamated entity (i.e., the post-Arrangement Crescita Common Shares).

Dividends on Nuvo Common Shares or Crescita Common Shares (Post-Arrangement)

Dividends received or deemed to be received by a Resident Shareholder on Nuvo Common Shares or Crescita Common Shares after the Arrangement will be included in computing the holder's income for the purposes of the Tax Act. Such dividends received or deemed to be received by a Resident Shareholder that is an individual (including a trust) will generally be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to taxable dividends received from corporations resident in Canada, including the enhanced gross-up and dividend tax credit rules applicable to any dividends designated as "eligible dividends" for these purposes. Dividends received or deemed to be received on such shares by an individual and certain trusts may give rise to alternative minimum tax.

Generally, dividends received or deemed to be received on Nuvo Common Shares or Crescita Common Shares after the Arrangement by a Resident Shareholder that is a corporation will be included in computing the corporation's income, but will be deductible in computing the corporation's taxable income, subject to certain limitations in the Tax Act. In certain circumstances, subsection 55(2) of the Tax Act (as proposed to be amended by Tax Proposals released on July 31, 2015) will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Holders that are corporations are urged to consult their own tax advisors having regard to their particular circumstances.

A holder of Nuvo Common Shares or Crescita Common Shares that is a "private corporation" or a "subject corporation" (as defined in the Tax Act) generally will be subject to a refundable tax of 33 1/3% on dividends received or deemed to be received on such shares to the extent such dividends are deductible in computing the holder's taxable income. Under Tax Proposals released on December 7, 2015, the rate of refundable tax under Part IV of the Tax Act will be increased to 38 1/3% for taxation years ending after 2015, subject to transitional rules contained in the Tax Proposals applicable to taxation years ending after 2015 but commencing before 2016. This refundable tax generally will be refunded to a corporate Resident Holder based on the amount of taxable dividends paid while it is a private corporation, all in accordance with detailed rules contained in the Tax Act.

Dispositions of Nuvo Common Shares or Crescita Common Shares (Post-Arrangement)

A disposition by a Resident Shareholder of Nuvo Common Shares or Crescita Common Shares after the Arrangement generally will result in a capital gain (or a capital loss) to such holder to the extent that the proceeds of disposition received, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such shares to such holder immediately before the disposition. The tax treatment of capital gains and capital losses is discussed below under the heading "*Certain Income Tax Consequences – Shareholders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

Taxation of Capital Gains and Capital Losses

A Resident Shareholder will be required to include in income one-half of the amount of any capital gain (a "**taxable capital gain**") and generally will be entitled to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") against taxable capital gains realized by such holder in the year of the disposition. Allowable capital losses in excess of taxable capital gains in a particular year may be carried back and deducted in any of the three preceding years or carried forward and deducted in any following year against taxable capital gains realized in such year to the extent and under the circumstances described in the Tax Act. In certain circumstances, a capital loss otherwise arising on the disposition of shares by a Resident Shareholder that is a corporation may be reduced by dividends previously received or deemed to have been received on such shares or shares for which the particular shares were issued in exchange. Analogous rules apply to a partnership or trust of which a corporation, partnership or trust is a member or beneficiary. Resident Shareholders to whom these rules may be relevant should consult their own tax advisors.

A "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay, in addition to tax otherwise payable under the Tax Act, a refundable tax of 6 2/3% of its "aggregate investment income". For this purpose, aggregate investment income will include taxable capital gains. Under Tax Proposals released on December 7, 2015, the rate of refundable tax will be increased to 10 % for taxation years ending after 2015, subject to transitional rules contained in the Tax Proposals applicable to taxation years commencing before 2016. Capital gains realized by individuals and certain trusts may give rise to alternative minimum tax under the Tax Act.

Eligibility for Investment

Provided the Nuvo Common Shares, Nuvo Butterfly Shares, Holdco Common Shares and Crescita Common Shares respectively are, and continue to be, listed on a designated stock exchange (which includes the TSX) or are shares of a "public corporation" (for

purposes of the Tax Act), such shares will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts. Nuvo Common Shares and Crescita Common Shares will not be prohibited investments for trusts governed by tax-free savings accounts ("**TFSAs**"), provided that the holder thereof deals at arm's length with Nuvo and Crescita, as applicable, and does not have a significant interest (within the meaning of the Tax Act) in Nuvo or Crescita, as applicable, or in a corporation, partnership or trust with which Nuvo or Crescita, as applicable, does not deal at arm's length for purposes of the Tax Act. Tax Proposals contain similar rules regarding prohibited investments for registered retirement savings plans and registered retirement income funds.

Notwithstanding that the Nuvo Common Shares, the Nuvo Butterfly Shares, the Holdco Common Shares and the Crescita Common Shares may be qualified investments for RRSPs, RRIFs and TFSAs, the holder of a TFSA, or the annuitant of an RRSP or RRIF, as the case may be, will be subject to a penalty tax if such shares are a "prohibited investment" for the particular TFSA, RRSP or RRIF. Shares of a particular corporation will generally be a "prohibited investment" if the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, (a) does not deal at arm's length with the particular corporation for purposes of the Tax Act, or (b) has a "significant interest" (within the meaning of the Tax Act) in the particular corporation. For the purposes of the Tax Act, a "significant interest" in a corporation includes, but is not limited to, the ownership (along with persons not dealing at arm's length for purposes of the Tax Act) of 10% or more of any class of issued shares of a corporation. In addition, shares of a corporation generally will not be a "prohibited investment" if such shares are "excluded property" (as defined in the Tax Act). Holders of a TFSA and annuitants of a RRSP or RRIF should consult their own tax advisors in regards to the application of these rules in their particular circumstances.

Dissenting Resident Shareholders

A Resident Shareholder that exercises Dissent Rights (a "**Dissenting Resident Shareholder**") will be deemed under the Arrangement to have transferred such holder's Nuvo Common Shares to Nuvo for a payment equal to the fair value of such shares. A Dissenting Resident Shareholder generally will be deemed to have received a dividend equal to the amount by which such payment exceeds the paid-up capital of such shares, and such deemed dividend will reduce the proceeds of disposition to such holder on the disposition of such shares. However, if the Dissenting Resident Shareholder is a corporation, the full amount of the dissent payment may be treated as proceeds of disposition under subsection 55(2) of the Tax Act and not as a deemed dividend. The general tax treatment of the receipt of dividends is discussed above under the heading "*Certain Income Tax Consequences – Shareholders Resident in Canada – Dividends on Nuvo Common Shares or Crescita Common Shares (Post-Arrangement)*".

A Dissenting Resident Shareholder will also realize a capital gain (or a capital loss) to the extent that the proceeds of disposition of such shares, as reduced by the amount of any deemed dividend as discussed above and net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such shares immediately before the disposition. The general tax treatment of capital gains or capital losses is discussed above under the heading "*Certain Income Tax Consequences – Shareholders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

Any interest awarded by a court to a Dissenting Resident Shareholder will be included in such holder's income for the purposes of the Tax Act.

Shareholders Not Resident in Canada

The following portion of the summary is applicable generally to Shareholders who: (i) at all relevant times, and for purposes of the Tax Act and any applicable income tax treaty or convention, are not, and are not deemed to be, resident in Canada; (ii) deal at arm's length with, and are not "affiliated" with, Nuvo and Crescita for the purposes of the Tax Act; and (iii) hold their Nuvo Common Shares, and will hold all other shares discussed in the following summary, as "capital property" and do not use or hold and are not deemed to use or hold, and will not use or hold or be deemed to use or hold, such shares in carrying on a business in Canada ("**Non-Resident Shareholders**"). Special rules, which are not discussed in this summary, may apply to a Non-Resident Shareholder that is an insurer which carries on business in Canada and elsewhere.

The Arrangement

A Non-Resident Shareholder who acquires Nuvo Common Shares and Nuvo Butterfly Shares in exchange for Nuvo Common Shares and who exchanges the Nuvo Butterfly Shares for Crescita Common Shares under the Arrangement will generally be subject to the same tax consequences as a Resident Shareholder on the Arrangement, as discussed above under "*Certain Income Tax Consequences – Shareholders Resident in Canada*". Accordingly, a Non-Resident Shareholder (other than a Dissenting Shareholder) will generally realize neither a capital gain nor a capital loss as a result of the arrangement.

Dividends on Nuvo Common Shares or Crescita Common Shares (Post-Arrangement)

Dividends on Nuvo Common Shares or Crescita Common Shares that are paid or credited or deemed to be paid or credited to a Non-Resident Shareholder after the Arrangement will be subject to Canadian withholding tax at the rate of 25% of the gross amount of

such dividends. This rate may be reduced under any applicable income tax treaty or convention. Under the *Canada-United States Income Tax Convention (1980)* (the "**U.S. Treaty**"), a Non-Resident Shareholder that is a resident of the United States for the purposes of, and entitled to the benefits of, the U.S. Treaty will generally be subject to Canadian withholding tax at a rate of 15% of the amount of such dividends.

Dispositions of Nuvo Common Shares or Crescita Common Shares (Post-Arrangement)

On a disposition of Nuvo Common Shares or Crescita Common Shares after the Arrangement, a Non- Resident Shareholder will not be subject to tax under the Tax Act unless, at the time of disposition, the particular shares are "taxable Canadian property" to the Non-Resident Shareholder. Generally, Nuvo Common Shares and Crescita Common Shares respectively will not be "taxable Canadian property" to a Non-Resident Shareholder at a particular time unless at any time during the 60-month period immediately preceding that time: (A) the Non-Resident Shareholder, persons with whom the Non-Resident Shareholder did not deal at arm's length, or the Non-Resident Shareholder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the capital stock of Nuvo or Crescita, as applicable, where the particular shares are listed on a designated stock exchange (which currently includes the TSX) at that particular time; and (B) more than 50% of the fair market value of the particular shares was derived directly or indirectly from one or any combination of: (i) real or immoveable properties situated in Canada, (ii) "Canadian resource properties" (as defined in the Tax Act), (iii) "timber resource properties" (as defined in the Tax Act), and (iv) options in respect of, or interests in, property described in (i) to (iii). In certain circumstances set out in the Tax Act, the Nuvo New Common Shares or the Crescita Common Shares of a particular Non-Resident Shareholder could be deemed to be "taxable Canadian property".

Generally, a Non-Resident Shareholder who realizes a capital gain on a disposition of Nuvo Common Shares or Crescita Common Shares which constitute "taxable Canadian property" of the Non-Resident Shareholder and which is not exempt from tax under an applicable income tax treaty or convention will be subject to the tax treatment described above under the heading "*Certain Income Tax Consequences – Shareholders Resident in Canada – Taxation of Capital Gains and Capital Losses*". Under the U.S. Treaty, a capital gain realized on the disposition of Nuvo Common Shares or Crescita Common Shares by a Non-Resident Shareholder that is a resident of the United States for the purposes of, and entitled to the benefits of, the U.S. Treaty generally will be exempt from tax under the Tax Act where at the time of disposition the Nuvo Common Shares or Crescita Common Shares, as applicable, do not derive their value principally from real property situated in Canada. Non-Resident Shareholders who will hold Nuvo Common Shares or Crescita Common Shares as "taxable Canadian property" should consult with their own tax advisors.

Dissenting Non-Resident Shareholders

A Non-Resident Shareholder that exercises Dissent Rights (a "**Dissenting Non-Resident Shareholder**") will be deemed under the Arrangement to have transferred such holder's Nuvo Common Shares to Nuvo for a payment equal to the fair value of such shares. A Dissenting Non-Resident Shareholder generally will be deemed to have received a dividend equal to the amount by which such proceeds exceed the paid-up capital of such shares. A deemed dividend received by a Dissenting Non-Resident Shareholder will be subject to Canadian withholding tax as described under the heading "*Certain Income Tax Consequences – Shareholders Not Resident in Canada – Dividends on Nuvo Common Shares or Crescita Common Shares (Post-Arrangement)*".

A Dissenting Non-Resident Shareholder will also realize a capital gain to the extent that the proceeds of disposition for such shares, as reduced by the amount of any deemed dividend as discussed above and net of any reasonable costs of disposition, exceed the adjusted cost base of such shares immediately before the disposition. A Dissenting Non-Resident Shareholder generally will not be subject to income tax under the Tax Act in respect of any such capital gain provided such shares do not constitute "taxable Canadian property" to the Dissenting Non-Resident Shareholder. See above under the heading "*Certain Income Tax Consequences – Shareholders Not Resident in Canada – Dispositions of Nuvo Common Shares or Crescita Common Shares (Post- Arrangement)*" for a general discussion of the tax treatment of capital gains realized on shares which constitute "taxable Canadian property" to the Dissenting Non-Resident Shareholder.

Any interest paid to a Dissenting Non-Resident Shareholder will generally not be subject to Canadian withholding tax.

Certain U.S. Federal Income Tax Consequences to Shareholders

The following is a summary of certain potential U.S. federal income tax consequences to U.S. Holders (as defined below) arising from and relating to the Arrangement.

This summary is for general information purposes only and does not purport to be a complete description of all potential U.S. federal income tax consequences that may apply to a U.S. Holder as a result of the Arrangement. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences of the Arrangement to such U.S. Holder. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. Each U.S. Holder is urged to consult its own tax advisor regarding the U.S. federal income, U.S. state and local and foreign tax consequences of the Arrangement.

No legal opinion from U.S. legal counsel or ruling from the IRS has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Arrangement to U.S. Holders. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions taken in this summary.

Scope of this Disclosure

Authorities

This summary is based on the Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury Regulations, published rulings of the IRS, published administrative positions of the IRS, the Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital, signed September 26, 1980, as amended (the "**Canada-U.S. Tax Convention**") and U.S. court decisions that are applicable and, in each case, as in effect and available, as of the date of this Management Information Circular. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive basis. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive basis.

Uncertainty as to Tax Treatment of the Arrangement for U.S. Federal Income Tax Purposes

The tax treatment of the Arrangement for U.S. federal income tax purposes is uncertain because Nuvo has not undertaken a complete analysis of the application and potential application of certain U.S. federal income tax laws to Nuvo in general and in connection with the Arrangement. Accordingly, the discussion in the summary below notes certain potential U.S. federal income tax consequences of the Arrangement to U.S. Holders under specified alternative characterizations of Nuvo and of the Arrangement.

U.S. Holders

For purposes of this summary, a "U.S. Holder" is a beneficial owner of Nuvo Common Shares that, for U.S. federal income tax purposes, is (a) an individual who is a citizen or resident of the U.S., (b) a corporation, or any other entity classified as a corporation for U.S. federal income tax purposes, that is created or organized in or under the laws of the United States, any state in the United States or the District of Columbia, (c) an estate if the income of such estate is subject to U.S. federal income tax regardless of the source of such income, or (d) a trust if (i) such trust has validly elected to be treated as a U.S. person for U.S. federal income tax purposes or (ii) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of such trust.

Non-U.S. Holders

A "non-U.S. Holder" is a beneficial owner of Nuvo Common Shares other than a U.S. Holder. This summary does not address the U.S. federal income tax consequences of the Arrangement to non-U.S. Holders. Accordingly, non-U.S. Holders are urged to consult their own tax advisors regarding the U.S. federal income, U.S. state and local, and foreign tax consequences (including the potential application and operation of any income tax treaties) of the Arrangement.

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax consequences of the Arrangement to U.S. Holders that are subject to special provisions under the Code, including the following U.S. Holders: (a) U.S. Holders that are tax exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) U.S. Holders that are financial institutions, insurance companies, real estate investment trusts, or regulated investment companies; (c) U.S. Holders that are dealers in securities or currencies or U.S. Holders that are traders in securities that elect to apply a mark-to-market accounting method; (d) U.S. Holders that have a "functional currency" other than the U.S. dollar; (e) U.S. Holders that are liable for the alternative minimum tax under the Code; (f) U.S. Holders that own Nuvo Common Shares as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (g) U.S. Holders that hold Nuvo Common Shares other than as a capital asset within the meaning of Section 1221 of the Code; (h) U.S. Holders who are U.S. expatriates or former long-term residents of the United States or (i) U.S. Holders that own (directly, indirectly, or through application of certain constructive ownership rules) 10% or more of the total combined voting power of all classes of shares of Nuvo entitled to vote. U.S. Holders that are subject to special provisions under the Code, including but not limited to U.S. Holders described immediately above, are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of the Arrangement.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds Nuvo Common Shares, the U.S. federal income tax consequences of the Arrangement to such partnership and the partners of such partnership generally will depend on the activities of the partnership and the status of such partners. Partners of entities that are classified as partnerships for U.S. federal income tax purposes are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of the Arrangement.

Tax Consequences in Other Jurisdictions Not Addressed

This summary does not address any U.S. federal non-income taxes, any U.S. state or local tax consequences, or the tax consequences in jurisdictions outside the United States, of the Arrangement to U.S. Holders. Each U.S. Holder is urged to consult its own tax advisor regarding the U.S. federal non-income, U.S. state and local and foreign tax consequences of the Arrangement.

Transactions Not Addressed

This summary does not address the U.S. federal income tax consequences to U.S. Holders of any transactions that may be entered into prior to, concurrently with or subsequent to the Arrangement (regardless of whether any such transaction is undertaken in connection with the Arrangement), including, but not limited to, the following transactions: (a) any exercise of any option to acquire Nuvo Common Shares and (b) any conversion of any stock option or other right to acquire Nuvo Common Shares into a stock option or other right to acquire Crescita Common Shares. This summary does not address the U.S. federal income tax considerations applicable to the holders of Nuvo Options, Nuvo DSUs or Nuvo SARs.

U.S. Federal Income Tax Consequences of the Arrangement

The Arrangement will be effected under applicable provisions of Canadian corporate law, which are technically different from analogous provisions of U.S. corporate law. Therefore, the U.S. federal income tax consequences of certain aspects of the Arrangement are not certain. For purposes of the discussion below, it is assumed that the Arrangement will be treated, for U.S. federal income tax purposes, as resulting in a distribution of Crescita Common Shares to holders of Nuvo Common Shares with respect to their Nuvo Common Shares.

Distribution of Crescita Common Shares

It is not clear whether or not the deemed distribution of Crescita Common Shares to holders of Nuvo Common Shares that is expected to result from the Arrangement will qualify for nonrecognition of gain or loss (if any) under Section 355 of the Code. The requirements of Section 355 of the Code are highly complex and include both objective and subjective requirements, including requirements that (in addition to the Arrangement being treated as a distribution of the stock of Crescita Common Shares notwithstanding its form as a series of transactions other than a distribution): the transaction be effected for one or more corporate business purposes; the transaction not be used "principally as a device for the distribution of the earnings and profits" of Nuvo or Crescita; and that both Nuvo and Crescita continue to be engaged after the transaction in one or more trades or businesses actively conducted by Nuvo or its subsidiaries throughout the 5-year period ending on the date of the deemed distribution.

The Corporation believes that it would be reasonable for U.S. Holders to take the position that Section 355 of the Code will apply to the deemed distribution of Crescita Common Shares to holders of Nuvo Common Shares, but as indicated above, the characterization of the Arrangement for U.S. federal income tax purposes is uncertain. The Corporation has not made a determination that Section 355 of the Code would in fact apply to such deemed distribution. Each U.S. Holder is urged to consult its own tax advisor regarding the proper treatment of the Arrangement for U.S. federal income tax purposes.

- *Treatment if Section 355 of the Code Applies*

If Section 355 of the Code applies to the deemed distribution of Crescita Common Shares to holders of Nuvo Common Shares, then, in general, no gain or loss will be recognized for U.S. federal income tax purposes by the holders of Nuvo Common Shares by reason of the receipt of said distribution, the holders' former tax bases in their Nuvo Common Shares will be allocated between those shares and the Crescita Common Shares received in proportion to their respective fair market values, and each holder's holding period for the Crescita Common Shares received pursuant to the Arrangement will include the holding period of such holder for the Nuvo Common Shares with respect to which such Crescita Common Shares are received. If Section 355 of the Code applies, certain U.S. Holders of Nuvo Common Shares will be subject to specific reporting and recordkeeping requirements imposed by Treasury regulations with respect to transactions within the scope of Section 355 of the Code. The Corporation intends to provide such U.S. Holders with the information required to satisfy such requirements.

- *Treatment if Section 355 of the Code Does Not Apply*

If Section 355 of the Code does not apply to the deemed distribution of Crescita Common Shares to holders of Nuvo Common Shares, the deemed distribution of Crescita Common Shares to holders of Nuvo Common Shares will be taxable to U.S. Holders under the rules of Section 301 of the Code that are generally applicable to the distribution of property by a corporation to its shareholders.

In that event, U.S. Holders will be required to include the fair market value of the Crescita Common Shares received pursuant to the Arrangement in gross income as a dividend to the extent of the current and accumulated "earnings and profits" of Nuvo. To the

extent the fair market value of the Crescita Common Shares exceeds Nuvo's adjusted tax basis in such shares (as calculated for U.S. federal income tax purposes), the proposed Arrangement would generate additional earnings and profits for Nuvo.

Subject to the discussion of "passive foreign investment company" ("**PFIC**") issues below, this dividend generally would constitute "Qualified Dividend Income" under the Code and would therefore be eligible for taxation at the preferential tax rates applicable to long-term capital gains if (a) Nuvo is a "qualified foreign corporation" ("**QFC**") as defined below, (b) the U.S. Holder receiving such dividend is an individual, estate or trust, and (c) such dividend is paid on Nuvo Common Shares that have been held by such U.S. Holder for at least 61 days during the 121-day period beginning 60 days before the "ex-dividend date". Nuvo generally will be a QFC if (x) Nuvo is eligible for the benefits of the Canada-U.S. Tax Convention, (y) Nuvo is not a PFIC for either the taxable year of Nuvo during which the dividend is considered to have been paid or for the preceding taxable year, and (z) Nuvo is not treated as a PFIC with respect to the U.S. Holder receiving such dividend under the "once a PFIC, always a PFIC" rule discussed below. Nuvo believes that it is currently eligible for the benefits of the Canada-U.S. Tax Convention. As discussed below, Nuvo believes that it was not a PFIC for 2015 and, based on current business plans and financial projections, does not expect to be a PFIC for 2016.

If Nuvo is not a QFC, or if the other requirements in the preceding paragraph are not satisfied, the dividend arising from the distribution of Crescita Common Shares by Nuvo to a U.S. Holder, including a U.S. Holder that is an individual, estate or trust, generally would be taxed at ordinary income tax rates (and not at the preferential tax rates applicable to long-term capital gains).

The dividend rules (including, in particular, the rules regarding QFC status and Qualified Dividend Income) are complex. Each U.S. Holder is urged to consult its own tax advisor with respect to such rules.

If Section 355 of the Code does not apply to the deemed distribution, (i) a U.S. Holder's initial tax basis in the Crescita Common Shares received pursuant to the Arrangement will be equal to the fair market value of such Crescita Common Shares on the date of distribution, and (ii) such holder's holding period for the Crescita Common Shares received pursuant to the Arrangement will begin on the day after the date of distribution.

Dissenting U.S. Holders

A U.S. Holder that exercises the right to dissent from the Arrangement and is paid cash for all of such U.S. Holder's Nuvo Common Shares generally will recognize gain or loss in an amount equal to the difference, if any, between (a) the amount of cash received by such U.S. Holder in exchange for the Nuvo Common Shares (other than amounts, if any, that are or are deemed to be interest for U.S. federal income tax purposes, which amounts will be taxed as ordinary income) and (b) the tax basis of such U.S. Holder in the Nuvo Common Shares surrendered.

Subject to the potential application of the PFIC rules discussed below, such gain or loss generally will be capital gain or loss, which will be long-term capital gain or loss if the Nuvo Common Shares have been held for more than one year. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to substantial limitations under the Code.

A U.S. holder exercising dissent rights from the Arrangement will have a tax basis in the Canadian dollars received on the sale of Nuvo Common Shares equal to such currency's U.S. dollar value determined at the applicable exchange rate on the date of payment. Any gain or loss realized by a U.S. holder on a sale or other disposition of such Canadian dollars on a subsequent date (including the exchange of such currency for U.S. dollars) will be ordinary income or loss and generally will be U.S. source gain or loss.

Consequences of Holding and Disposing of Nuvo Common Shares or Crescita Common Shares (Post- Arrangement)

Except as otherwise expressly indicated, the consequences described below are based on the assumption that neither Nuvo nor Crescita will at any relevant time be considered a PFIC.

Treatment of Distributions Generally

A U.S. Holder that receives a distribution, including a constructive distribution, with respect to the Nuvo Common Shares or Crescita Common Shares after the Arrangement will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of the current and accumulated "earnings and profits" of the distributing corporation. To the extent (if at all) that a distribution exceeds the current and accumulated earnings and profits of the distributing corporation, such distribution will be treated (a) first, as a tax-free return of capital to the extent of a U.S. Holder's tax basis in the Nuvo Common Shares or Crescita Common Shares, as applicable and, (b) thereafter, as gain from the sale or exchange of such shares. (See more detailed discussion at "*Disposition of Nuvo Common Shares and Crescita Common Shares*" below).

If dividends paid by Nuvo or Crescita constitute Qualified Dividend Income under the rules discussed above (see "*U.S. Federal Income Tax Consequences of the Arrangement – Distribution of Crescita Common Shares*" above), then, subject to the PFIC discussion below, such dividends generally will be eligible for taxation at the preferential tax rates applicable to long-term capital gains.

If dividends paid by Nuvo or Crescita do not constitute Qualified Dividend Income, such dividends for U.S. Holders who are individuals, estates or trusts will not be eligible for taxation at the preferential tax rates applicable to long-term capital gains.

Distributions Paid in Foreign Currency

The amount of a distribution paid to a U.S. Holder in foreign currency generally will be equal to the U.S. dollar value of such distribution based on the exchange rate applicable on the date of receipt. A U.S. Holder that does not convert foreign currency received as a distribution into U.S. dollars on the date of receipt generally will have a tax basis in such foreign currency equal to the U.S. dollar value of such foreign currency on the date of receipt. Any gain or loss realized by a U.S. Holder on the subsequent sale or other taxable disposition of such foreign currency (including an exchange for U.S. dollars) will be ordinary income or loss and will generally be U.S. source gain or loss.

Dividends Received Deduction

Dividends paid on Nuvo Common Shares and Crescita Common Shares after the Arrangement generally will not be eligible for the "dividends received deduction" by corporate U.S. Holders. The availability of the dividends received deduction is subject to complex limitations that are beyond the scope of this discussion, and a U.S. Holder that is a corporation should consult its own financial advisor, legal counsel or accountant regarding the dividends received deduction.

Disposition of Nuvo Common Shares and Crescita Common Shares

A U.S. Holder will recognize gain or loss on the sale or other taxable disposition of Nuvo Common Shares or Crescita Common Shares in an amount equal to the difference, if any, between (a) the amount of cash plus the fair market value of any property received and (b) such U.S. Holder's tax basis in the shares sold or otherwise disposed of. Subject to the PFIC discussion below, any such gain or loss generally will be capital gain or loss, which will generally be long-term capital gain or loss if the shares sold are held for more than one year. Gain or loss recognized by a U.S. Holder on the sale or other taxable disposition of Nuvo Common Shares or Crescita Common Shares generally will be treated as "U.S. source" for purposes of applying the U.S. foreign tax credit rules. (See more detailed discussion at "*Foreign Tax Credit*" below.)

Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate or trust. There are currently no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code.

Foreign Tax Credit

A U.S. Holder that pays (whether directly or through withholding) Canadian income tax with respect to dividends paid on either Nuvo Common Shares or Crescita Common Shares generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax paid. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's "foreign source" taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source". In addition, this limitation is calculated separately with respect to specific categories of income. Dividends paid by both Nuvo and Crescita generally should constitute "foreign source" income and generally should be categorized as "passive income".

The foreign tax credit rules are complex, and each U.S. Holder is urged to consult its own tax advisor regarding the application of the foreign tax credit rules to their particular situation.

PFIC Rules

Nuvo or Crescita generally will be a PFIC under Section 1297 of the Code for a taxable year of such foreign corporation if, for such taxable year, (a) 75% or more of its gross income for such taxable year is passive income ("**income test**"), or (b) on average, 50% or more of the assets held by such corporation during such year either produce passive income or are held for the production of passive

income ("**asset test**"). For purposes of the asset test, assets will be measured by reference to their fair market values, provided that, for the relevant taxable year, Nuvo or Crescita, as applicable, (a) is considered to be publicly traded, or (b) is not a "controlled foreign corporation" (as defined in Section 957 of the Code) and does not elect to measure assets for these purposes by reference to their adjusted tax bases. Subject to certain exceptions, "passive income" includes, among other things, dividends, interest, rents, royalties, gains from the sale of stock or securities and gains from commodities transactions.

For purposes of applying the income and asset tests of Section 1297 of the Code to determine whether Nuvo or Crescita is or was a PFIC in any given taxable year, Nuvo or Crescita, as applicable, generally will be treated as if it owned its proportionate share of the assets, and received directly its proportionate share of the income, of each U.S. or foreign corporation in which it owns a 25%-or-greater interest, measured by value.

Although a foreign corporation's status as a PFIC or non-PFIC is generally determined on a year-by-year basis, a foreign corporation that is not a PFIC in a given taxable year under the rules of Section 1297 of the Code described above generally will be treated as a PFIC with respect to a U.S. Holder if (1) such foreign corporation was a PFIC in any prior taxable year, and (2) such U.S. Holder's holding period for its shares includes any portion of such prior taxable year. This rule is referred to herein as the "once a PFIC, always a PFIC" rule.

If a foreign corporation is a PFIC, or is treated as a PFIC with respect to a U.S. Holder under the "once a PFIC, always a PFIC" rule described above, the following consequences will generally apply to the U.S. Holder under Section 1291 of the Code:

- Any gain recognized upon a sale or other disposition of stock in the foreign corporation, and certain "excess distributions" received with respect to such stock, will be allocated over the U.S. Holder's holding period for such shares. The portion of such gain or excess distribution that is allocated to the current year (or, potentially, certain prior years) will be treated as ordinary income in the current year. Any portion allocated to a prior year (and not treated as ordinary income in the current year) will be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in such prior taxable year and also subject to an interest charge.

- Any preferential rate for which such gain or excess distribution might otherwise qualify (e.g., under the rules applicable to long-term capital gains or Qualified Dividend Income) will not be available.

- Numerous additional rules may also apply, including extremely broad rules applicable to indirect dispositions and indirect excess distributions.

A U.S. Holder of shares in a foreign corporation treated as a PFIC may be able to avoid some or all of the consequences described above by making a mark-to-market election under Section 1296 of the Code (a "**Mark-to-Market Election**") or electing to treat such foreign corporation as a "qualified electing fund" or "QEF" under Section 1295 of the Code (a "**QEF Election**"). However, Nuvo anticipates that U.S. Holders who may wish to make QEF elections (on a protective basis or otherwise) with respect to either Nuvo or Crescita will not be able to do, because Nuvo anticipates that neither it nor Crescita will provide the annual information statements that would be needed to make such election. A description of these elections (and other elections that may potentially be made by a U.S. Holder) is beyond the scope of this discussion.

Nuvo does not believe that it was a PFIC for 2015, and, based on current business plans and financial projections, does not expect that it will be a PFIC for 2016. Accordingly, Nuvo anticipates that the PFIC rules will not prevent it from being a QFC for 2015. Nuvo has made no determination as to whether it or Crescita may be a PFIC for any other taxable year.

The determination of whether Nuvo or Crescita may be a PFIC for a taxable year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether Nuvo or Crescita will be a PFIC for 2016 or any subsequent year will depend on the income and assets of such corporation (and its subsidiaries) over the course of the entire taxable year and, as a result, cannot be predicted with certainty as of the date of this Management Information Circular. Nuvo has made no determination as to whether it or Crescita may be a PFIC for any taxable year. Accordingly, there can be no assurance that Nuvo or Crescita was not, is not or will not be a PFIC for any taxable year.

The PFIC rules, including the rules governing any elections that may potentially be made by a U.S. Holder, are extremely complex. Each U.S. Holder is urged to consult its own tax advisor regarding the PFIC rules and how the PFIC rules could affect such U.S. Holder.

Medicare Tax

The *Patient Protection and Affordable Care Act of 2010* generally imposes on certain U.S. resident individuals, trusts and estates a tax of 3.8% on the lesser of: (a) "net investment income"; or (b) the excess of modified adjusted gross income over a threshold amount. Net investment income generally includes dividends, and net gains from the disposition of stock and other investments, unless such income or gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business

that consists of certain passive or trading activities). U.S. Holders are encouraged to consult with their tax advisors regarding the possible implications of this legislation on their ownership and disposition of Nuvo Common Shares or Crescita Common Shares in light of such holders' individual circumstances.

Information Reporting; Backup Withholding Tax

Distributions, including the deemed distribution of Crescita Common Shares pursuant to the Arrangement if such distribution does not qualify for non-recognition of gain or loss under Section 355 of the Code, within the U.S., or by a U.S. payor or U.S. middleman, generally will be subject to information reporting and backup withholding tax, at the rate of 28%, if a U.S. Holder (a) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on Form W-9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax, or (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, U.S. Holders that are corporations generally are excluded from these information reporting and backup withholding tax rules. Any amounts withheld under the U.S. backup withholding tax rules generally will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder timely furnishes the required information to the IRS. Each U.S. Holder should consult its own tax advisor regarding the information reporting and backup withholding tax rules.

INFORMATION CONCERNING ADDITIONAL MATTERS TO BE ACTED UPON AT THE MEETING

AMENDMENTS TO BY-LAW NUMBER 1

On December 14, 2015, the Board approved the adoption of the Amended and Restated Nuvo By-Law, relating generally to the transaction of the business and affairs of the Corporation. The amendments are intended to better align Nuvo's existing by-law with the current requirements of the OBCA and to reflect customary practices of other publicly-traded companies. The changes to By-Law Number 1 are reflected in Appendix Q.

The most significant changes proposed to be effected by the Amended and Restated Nuvo By-Law may be summarized as follows:

- the time frame that the Board may fix the record date for any meeting of Shareholders has been amended so that the record date shall be not more than 60 days nor less than 30 days preceding the date of the meeting, consistent with the time frames set forth in the OBCA;

- the requirement to send each Shareholder a copy of the annual financial statements of the Corporation has been removed to align with current OBCA provisions. For information on how to obtain copies of the annual financial statements of the Corporation, please refer to the section entitled "*Additional Information*";

- to reflect OBCA requirements, the provision allowing Shareholders who purchase shares of the Corporation following the record date for a meeting of Shareholders to vote at such meeting has been removed;

- the requirement that a majority of the directors of Nuvo be resident Canadians has been revised so that the residency requirements will be as set forth in the OBCA from time to time. The OBCA currently provides that at least 25% of the directors of a corporation be resident Canadians;

- the requirement for a quorum of directors to include a majority of directors who are resident Canadians has been deleted as this is no longer required under the OBCA; and

- amendments to the provisions relating to the indemnification of the Corporation's directors and officers by Nuvo have been amended to be consistent with applicable OBCA requirements.

Pursuant to the provisions of the OBCA, the Amended and Restated Nuvo By-Law will cease to be effective unless ratified and confirmed by the Shareholders at the Meeting. At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass with or without variation, the Nuvo By-Law Resolution, the full text of which is set forth in Appendix F. Reference should be made to Appendix Q for the full text of the Amended and Restated Nuvo By-Law. The Amended and Restated Nuvo By-Law is also available on SEDAR at www.sedar.com.

The Board has unanimously approved the terms of the Amended and Restated Nuvo By-Law, and unanimously recommends that Shareholders vote FOR the Nuvo By-Law Resolution.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Management of Nuvo is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If other matters properly come before the Meeting, it is the intention of the person named in the accompanying form of proxy to vote the Nuvo Common Shares represented thereby in accordance with his or her best judgment on such matters.

VOTING INFORMATION AND GENERAL PROXY MATTERS

SOLICITATION OF PROXIES

This Management Information Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of Nuvo for use at the Meeting and any adjournment(s) or postponement(s) thereof. No Person has been authorized to give any information or to make any representation in connection with the Arrangement or any other matters to be considered at the Meeting other than those contained in this Management Information Circular and, if given or made, any such information or representation must not be relied on as having been authorized.

The Corporation will bear the cost of soliciting proxies. The solicitation of proxies will be made primarily by mail, but may also be made by electronic means, by telephone or in person. Directors, officers and employees of Nuvo may solicit proxies without compensation. The Corporation will reimburse banks, trust companies, brokerage firms and other Intermediaries for any reasonable expenses incurred in sending proxy material to beneficial owners of Nuvo Common Shares and requesting authority to execute proxies. Proxy-related materials will be sent by the Corporation to Intermediaries and not directly to Non-Registered Shareholders. The Corporation intends to pay for Intermediaries to deliver proxy-related materials and the Form 54-101F7 (the request for voting instructions) to "objecting beneficial owners", in accordance with NI 54-101.

The Corporation may retain one or more proxy solicitation firms or agents to solicit proxies on behalf of the management of Nuvo for use at the Meeting or any adjournment(s) or postponement(s) thereof. The Corporation expects to pay to any such proxy solicitation firm or agent reasonable and customary fees for such proxy solicitation services.

REGISTERED SHAREHOLDERS

A Registered Shareholder is a shareholder who holds Nuvo Common Shares in his, her or its own name (that is, not in the name of, or through, an Intermediary).

A Registered Shareholder may attend the Meeting and cast one vote for each Nuvo Common Share registered in the name of such Registered Shareholder on any and all resolutions put before the Meeting. **A Registered Shareholder who is unable to attend the Meeting, or does not wish to personally cast his, her or its vote(s), may authorize another person at the Meeting (who need not be a Shareholder) to vote on his, her or its behalf. This is known as voting by proxy**. The form of proxy enclosed with this Management Information Circular may be used by Registered Shareholders to authorize another person to vote on their behalf at the Meeting.

The Persons named in the enclosed form of proxy are directors and/or officers of Nuvo. A Registered Shareholder desiring to appoint a Person (who need not be a Shareholder) to represent such Registered Shareholder at the Meeting, other than the Persons designated in the accompanying form of proxy, may do so by striking out the names of the Persons specified in the form of proxy and inserting the name of the Person to be appointed in the blank space so provided.

To be valid, completed proxies must be delivered to the transfer agent of the Corporation, CST Trust Company, Attention: Proxy Department, in the accompanying envelope by mail at P.O. Box 721, Agincourt, Ontario M1S 0A1, or by facsimile: 1-866-781-3111 or 416-368-2502, or by email: proxy@canstockta.com so that it arrives no later than 5:00 p.m. (Eastern Time) on February 16, 2016 or, if the Meeting is adjourned or postponed, no later than 5:00 p.m. (Eastern Time) on the day which is two business days preceding the date of the adjourned or postponed Meeting, or any further adjournment or postponement thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting at his or her discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

Signature of Proxy

The form of proxy must be executed by the Registered Shareholder or his or her attorney authorized in writing, or if the Registered Shareholder is a corporation, the form of proxy should be signed in its corporate name under its corporate seal by an authorized officer whose title should be indicated. A proxy signed by a Person acting as attorney or in some other representative capacity should reflect such Person's capacity following his signature and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with Nuvo).

Revocation of Proxies

A Registered Shareholder who executes and returns a form of proxy may revoke it by depositing an instrument in writing executed by such shareholder or such shareholder's attorney authorized in writing at the head office of the Corporation at 7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4, Attention: Daniel Chicoine, Chairman and Co-Chief Executive Officer, or with CST Trust Company at P.O. Box 721, Agincourt, Ontario M1S 0A1, at any time up to but not later than 5:00 p.m. (Eastern Time) on the last business day preceding the Meeting or any adjournment thereof, or by depositing such instrument in writing with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

Note that the participation by a Registered Shareholder in a vote by ballot at the Meeting would automatically revoke any proxy that has been previously given by the Registered Shareholder in respect of business covered by that vote.

Exercise of Discretion of Proxy

On any ballot that may be called for at the Meeting, the Persons named in the accompanying form of proxy will vote the Nuvo Common Shares in respect of which they are appointed in accordance with the instructions of the Shareholder appointing them and, if the Shareholder specifies a choice with respect to any matter to be acted upon which the holders of such shares are entitled to vote, the Nuvo Common Shares will be voted accordingly. **In the absence of such instructions, such Nuvo Common Shares will be voted FOR: (a) the approval of the Arrangement Resolution (which includes approval of the Crescita Arrangement Options); (b) the approval of the SAR/DSU Resolution; (c) the approval of the Crescita Incentive Plan Resolution; (d) the approval of the Crescita Rights Plan Resolution; and (e) the approval of the Nuvo Incentive Plan Resolution.** The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments to or variations of the matters identified in the Notice of Meeting and with respect to other matters that may properly be brought before the Meeting. As at the date of this Management Information Circular, management of Nuvo knows of no such amendments, variations or other matters to be brought before the Meeting.

NON-REGISTERED SHAREHOLDERS

Information set forth in this section is very important to persons who hold Nuvo Common Shares other than in their own names. Only Registered Shareholders, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Nuvo Common Shares beneficially owned by a holder (i.e., a "Non-Registered Shareholder") are registered either:

(a) in the name of an Intermediary that the Non-Registered Shareholder deals with in respect of the Nuvo Common Shares; or

(b) in the name of a depository (a "**Depository**" such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

Such Intermediary is the registered holder of the Non-Registered Shareholder's Nuvo Common Shares and is the entity legally entitled to vote these shares at the Meeting. In order for Non-Registered Shareholders to cause the Nuvo Common Shares they beneficially own to be voted at the Meeting, they must carefully follow the procedures and instructions received from the Intermediary.

In accordance with the requirements of Canadian securities law, the Corporation has distributed copies of the Notice of Meeting, this Management Information Circular and the form of proxy (collectively, the "**Meeting Materials**") to Depositories and Intermediaries for onward distribution to Non-Registered Shareholders.

Intermediaries are required to forward Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

(a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Nuvo Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed. This form of proxy need not be signed by the Non-Registered Shareholder. In this case, the Non-Registered Shareholder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with the Corporation c/o CST Trust Company, Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1, or by facsimile: 1-866-781-3111 or 416-368-2502, or by email: proxy@canstockta.com, as described above; or

(b) more typically, be given a voting instruction form which must be completed and signed by the Non-Registered Shareholder and returned to the Intermediary in accordance with the directions on the voting instruction form (which may in some cases permit the completion of the voting instruction form by telephone or online).

The purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Nuvo Common Shares they beneficially own. Although Non-Registered Shareholders may not be recognized directly at the Meeting for the purposes of voting Nuvo Common Shares registered in the name of an Intermediary, a Non-Registered Shareholder may attend the Meeting as proxy holder for the Registered Shareholder (i.e. the Intermediary) and vote their Nuvo Common Shares in that capacity. A Non-Registered Shareholder who wishes to attend and vote at the Meeting in person and indirectly vote his, her or its Nuvo Common Shares as proxy holder for the Registered Shareholder (or have another person attend and vote on behalf of the Registered Shareholder), should insert the name of the Non-Registered Shareholder or the name of the person they wish to appoint in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. **In either case, Non- Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies**.

A Non-Registered Shareholder who wishes to change his or her vote or revoke a voting instruction form must, in sufficient time in advance of the Meeting, provide written notice to his or her Intermediary or its service company, as the case may be, and follow the instructions provided by such Intermediary or service company.

VOTING OF NUVO COMMON SHARES

As of the date hereof, a total of 11,145,709 Nuvo Common Shares were issued and outstanding. Each Nuvo Common Share entitles the registered holder thereof to one vote on all matters to be acted upon at the Meeting. The Record Date for the determination of Shareholders entitled to receive notice of the Meeting has been fixed at January 5, 2016. In accordance with the provisions of the OBCA, Nuvo will prepare a list of Registered Shareholders as of such Record Date. Each Registered Shareholder named in the list will be entitled to vote the shares shown opposite his, her or its name on the list at the Meeting. All such Registered Shareholders of record as of the Record Date are entitled either to attend and vote thereat in person the respective Nuvo Common Shares held by them or, provided a completed and executed proxy shall have been delivered to CST Trust Company within the time specified above, to attend and vote thereat by proxy the respective Nuvo Common Shares held by them.

VOTING SECURITIES AND PRINCIPAL HOLDERS

To the knowledge of the directors and executive officers of Nuvo based on the most recent publicly available information, as of the date hereof, there is no person or company that beneficially owns, directly or indirectly, or controls or directs voting securities of Nuvo carrying more than 10% of the voting rights attached to the voting securities of Nuvo.

INTERESTS OF CERTAIN PERSONS IN THE ARRANGEMENT AND RELATED MATTERS

Directors and executive officers of Nuvo as of the date hereof, as a group beneficially owned, directly or indirectly, or exercised control or direction over approximately 465,399 Nuvo Common Shares, representing approximately 4.2% of the issued and outstanding Nuvo Common Shares. In addition, as of the date hereof, the directors and executive officers of Nuvo own, in the aggregate: (i) Nuvo Options exercisable for 649,970 Nuvo Common Shares; (ii) 424,978 Nuvo DSUs; and (iii) 787,651 Nuvo SARs.

Management of Nuvo understands that each of these directors and executive officers currently intends to vote all of the Nuvo Common Shares beneficially owned, whether directly or indirectly, by him or her in favour of (i) the Arrangement Resolution; (ii) the SAR/DSU Resolution; (iii) the Crescita Incentive Plan Resolution; (iv) the Crescita Rights Plan Resolution; (v) the Nuvo Incentive Plan Resolution; and (vi) the Nuvo By-Law Resolution.

PROCEDURE AND VOTES REQUIRED

Arrangement Resolution

The Interim Order provides that each Shareholder at the close of business on the Record Date will be entitled to receive notice of, to attend and to vote at the Meeting, or any adjournment(s) or postponement(s) thereof. Each such Shareholder will be entitled to vote in accordance with the provisions set out below.

Pursuant to the Interim Order:

(a) each Shareholder will be entitled to one vote for each Nuvo Common Share held as of the Record Date;

(b) the Arrangement Resolution must be passed by an affirmative vote of not less than two-thirds of the votes cast in respect of the Arrangement Resolution by Shareholders voting in person or by proxy at the Meeting;

(c) the quorum at the Meeting will be not less than two persons present in person at the opening of the Meeting who are entitled to vote thereat either as Shareholders or proxyholders; and

(d) if no quorum of Shareholders is present within 30 minutes of the appointed time of the Meeting, the Meeting shall stand adjourned or postponed to the same day in the next week at the same time and place or as may otherwise be determined by the Chairman of the Meeting and, if at such adjourned or postponed meeting a quorum is not present, within 30 minutes following the time appointed for such meeting, the person or persons present and being, or representing by proxy, a Shareholder or Shareholders entitled to attend and vote at such meeting shall be a quorum.

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, the Arrangement Resolution, which is attached as Appendix A, subject to such amendments, variations or additions as may be approved at the Meeting, approving the Arrangement, including the Plan of Arrangement attached as Appendix G.

On any ballot that may be called relating to the Arrangement Resolution, the Persons named as proxies in the enclosed form of proxy intend to vote the Nuvo Common Shares represented by proxies in favour of the Arrangement Resolution, unless a Shareholder signing such proxy has specified otherwise. The Arrangement Resolution must be approved at the Meeting by at least two-thirds of the votes cast by Shareholders voting, in person or by proxy, at the Meeting.

The Board of Directors unanimously recommends that Shareholders vote FOR the Arrangement Resolution. See "*The Arrangement – Recommendation of the Board*".

SAR/DSU Resolution

At the Meeting, if the Arrangement Resolution is approved, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, the SAR/DSU Resolution, subject to such amendments, variations or additions as may be approved at the Meeting, to authorize and approve (a) the issuance of Nuvo Common Shares pursuant to Section 2.3(b) of the Plan of Arrangement in exchange for outstanding Nuvo DSUs, (b) the issuance of Nuvo Common Shares pursuant to the Amended and Restated Nuvo SARs Plan, and (c) the issuance of Crescita Common Shares pursuant to the Crescita SARs Plan. For a description of the treatment of the outstanding Nuvo DSUs and Nuvo SARs under the Arrangement, please refer to the sections entitled "*The Arrangement – Treatment of Outstanding Nuvo DSUs*" and "*The Arrangement – Treatment of Outstanding Nuvo SARs*", respectively.

On any ballot that may be called relating to the SAR/DSU Resolution, the Persons named as proxies in the enclosed form of proxy intend to vote the Nuvo Common Shares represented by proxies in favour of the SAR/DSU Resolution, unless a Shareholder signing such proxy has specified otherwise. The SAR/DSU Resolution must be approved at the Meeting by more than 50% of the votes cast by Shareholders (other than any insiders of Nuvo who are Nuvo DSU Holders or Nuvo SARs Holders) voting, in person or by proxy, at the Meeting.

The proposed form of the Amended and Restated Nuvo SARs Plan is attached as Exhibit IV to the Plan of Arrangement, which is attached to this Management Information Circular as Appendix G, and the proposed text of the Crescita SARs Plan is attached as Appendix P. Reference should be made thereto for a complete statement of the terms and conditions of the Amended and Restated Nuvo SARs Plan and the Crescita SARs Plan.

The Board of Directors unanimously recommends that Shareholders vote <u>FOR</u> the SAR/DSU Resolution. See "*The Arrangement – Recommendation of the Board*".

Crescita Incentive Plan Resolution

At the Meeting, if the Arrangement Resolution is approved, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, the Crescita Incentive Plan Resolution, subject to such amendments, variations or additions as may be approved at the Meeting, to authorize and approve the Crescita Rights Plan.

On any ballot that may be called relating to the Crescita Incentive Plan Resolution, the Persons named as proxies in the enclosed form of proxy intend to vote the Nuvo Common Shares represented by proxies in favour of the Crescita Incentive Plan Resolution, unless a Shareholder signing such proxy has specified otherwise. The Crescita Incentive Plan Resolution must be approved at the Meeting by more than 50% of the votes cast by Shareholders (other than any insiders of Nuvo who are eligible participants in the Nuvo Incentive Plan) voting, in person or by proxy, at the Meeting.

For a description of the Crescita Incentive Plan please refer to the section in Appendix M entitled "*Options to Purchase Securities and Crescita Incentive Plan – Crescita Incentive Plan*". In addition, the proposed form of the Crescita Incentive Plan is attached as Appendix N. Reference should be made thereto for a complete statement of the terms and conditions of the Crescita Incentive Plan.

The Board of Directors unanimously recommends that Shareholders vote FOR the Crescita Incentive Plan Resolution. See "*The Arrangement – Recommendation of the Board*".

Crescita Rights Plan Resolution

At the Meeting, if the Arrangement Resolution is approved, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, the Crescita Rights Plan Resolution, subject to such amendments, variations or additions as may be approved at the Meeting, to authorize, approve and adopt the Crescita Rights Plan.

On any ballot that may be called relating to the Crescita Rights Plan Resolution, the Persons named as proxies in the enclosed form of proxy intend to vote the Nuvo Common Shares represented by proxies in favour of the Crescita Rights Plan Resolution, unless a Shareholder signing such proxy has specified otherwise. The Crescita Rights Plan Resolution must be approved at the Meeting by more than 50% of the votes cast by Shareholders voting, in person or by proxy, at the Meeting.

For a description of the Crescita Rights Plan please refer to the section in Appendix M entitled "*Crescita Rights Plan*". In addition, the proposed form of the Crescita Rights Plan is attached as Appendix O. Reference should be made thereto for a complete statement of the terms and conditions of the Crescita Rights Plan.

The Board of Directors unanimously recommends that Shareholders vote FOR the Crescita Rights Plan Resolution. See "*The Arrangement – Recommendation of the Board*".

Nuvo Incentive Plan Resolution

At the Meeting, if the Arrangement Resolution is approved, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, the Nuvo Incentive Plan Resolution, subject to such amendments, variations or additions as may be approved at the Meeting, to authorize and approve an amendment to the Nuvo Incentive Plan to provide that the aggregate maximum percentage of Nuvo Common Shares made available for and reserved for issuance under the Amended and Restated Nuvo Incentive Plan will remain unchanged at 15% of the total number of Nuvo Common Shares outstanding from time to time, and the allocation of such maximum percentage among the Nuvo Option Plan, Nuvo Bonus Plan and Nuvo Purchase Plan shall be determined by the Board of Directors of Nuvo (or a committee thereof) from time to time (provided that the maximum number of Nuvo Common Shares that may be issued under the Nuvo Bonus Plan shall not exceed a fixed number of Nuvo Common Shares equal to 3% of the number of Nuvo Common Shares outstanding immediately following the Arrangement Time).

On any ballot that may be called relating to the Nuvo Incentive Plan Resolution, the Persons named as proxies in the enclosed form of proxy intend to vote the Nuvo Common Shares represented by proxies in favour of the Nuvo Incentive Plan Resolution, unless a Shareholder signing such proxy has specified otherwise. The Nuvo Incentive Plan Resolution must be approved at the Meeting by more than 50% of the votes cast by Shareholders (other than any insiders of Nuvo who are eligible participants in the Nuvo Incentive Plan) voting, in person or by proxy, at the Meeting.

For a description of the Nuvo Incentive Plan please refer to Nuvo's management information circular dated April 1, 2015 with respect to the annual meeting of shareholders held on May 13, 2015, which is incorporated by reference into this Management Information Circular. Reference should be made thereto for a complete statement of the terms and conditions of the Nuvo Incentive Plan. For a description of the amendments to the Nuvo Incentive Plan contemplated by the Nuvo Incentive Plan Resolution, see "*The Arrangement – Amendments to the Nuvo Incentive Plan Resolution*".

The Board of Directors unanimously recommends that Shareholders vote FOR the Nuvo Incentive Plan Resolution. See "*The Arrangement – Recommendation of the Board*".

Nuvo By-Law Resolution

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, the Nuvo By-Law Resolution, subject to such amendments, variations or additions as may be approved at the Meeting, to authorize and approve the Amended and Restated Nuvo By-Law.

On any ballot that may be called relating to the Nuvo By-Law Resolution, the Persons named as proxies in the enclosed form of proxy intend to vote the Nuvo Common Shares represented by proxies in favour of the Nuvo By-Law Resolution, unless a Shareholder signing such proxy has specified otherwise. The Nuvo By-Law Resolution must be approved at the Meeting by more than 50% of the votes cast by Shareholders voting, in person or by proxy, at the Meeting.

The Board of Directors unanimously recommends that Shareholders vote FOR the Nuvo By-Law Resolution. See "*Information Concerning Additional Matters to be Acted Upon at the Meeting – Amendments to By-Law Number 1*".

INDEBTEDNESS OF DIRECTORS, OFFICERS AND EMPLOYEES

No director or executive officer of Nuvo and no associate or affiliate of the foregoing persons is or has been indebted to Nuvo or its subsidiaries at any time since the beginning of Nuvo's last completed financial year.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation annually reviews and purchases insurance coverage for directors' and officers' liability. The current term (December 1, 2014 to March 1, 2016) premium of $104,000 covers directors' and officers' liability for $15,000,000. The policies provide for deductibles ranging from $25,000 to $100,000 depending upon the nature of the claim made by the Corporation. However, there shall be no deductible for any claim made by a director or officer. This premium is paid entirely by the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director or executive officer of Nuvo and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of Nuvo's last completed financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect Nuvo, except as described herein.

AUDITORS

The auditor of Nuvo is Ernst & Young LLP, Chartered Professional Accountants, Licensed Public Accountants. Such firm is independent of Nuvo within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario (registered name of The Institute of Chartered Accountants of Ontario).

LEGAL MATTERS

Certain legal matters relating to the Arrangement are to be passed upon by Goodmans LLP and McMillan LLP, on behalf of Nuvo. As at the date hereof, the partners and associates of each of Goodmans LLP and McMillan LLP beneficially owned, directly or indirectly, less than one percent of the issued and outstanding Nuvo Common Shares.

ADDITIONAL INFORMATION

Additional information relating to Nuvo is available at www.sedar.com. Shareholders may obtain additional copies of the Nuvo Annual Financial Statements and related management's discussion and analysis, and the Nuvo Interim Financial Statements and related management's discussion and analysis, by written request addressed to: Nuvo Research Inc., Attention: Corporate Secretary, 7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4, or by facsimile at 1-905-673-1842. Financial information regarding Nuvo is provided in the Nuvo Annual Financial Statements and management's discussion and analysis for years ended December 31, 2014 and 2013.

Additional copies of this document and the continuous disclosure documents filed by Nuvo with the Canadian securities regulatory authorities may be obtained by contacting Nuvo at the address noted above.

DIRECTORS APPROVAL

The Board of Directors of Nuvo has approved the contents and the sending of this Management Information Circular to the Shareholders.

Dated as of December 31, 2015.

Daniel Chicoine
Chairman and Co-Chief Executive Officer

APPENDIX A

ARRANGEMENT RESOLUTION

Arrangement under Section 182 of the
Business Corporations Act (Ontario)

BE IT RESOLVED THAT:

1. The arrangement (the "**Arrangement**") under section 182 of the *Business Corporations Act* (Ontario) involving Nuvo Research Inc. ("**Nuvo**"), its shareholders, 2487002 Ontario Limited ("**Subco**") and 2487001 Ontario Limited ("**Holdco**"), as more particularly described and set forth in the management information circular of Nuvo dated December 31, 2015 (the "**Management Information Circular**"), as may be modified, amended or supplemented, is hereby authorized, approved and adopted.

2. The options to purchase common shares in the capital of Nuvo and the options to purchase common shares in the capital of Crescita Therapeutics Inc. ("**Crescita**"), the corporation resulting from the amalgamation of Subco and Holdco, to be granted to holders of options to purchase common shares in the capital of Nuvo (the "**Nuvo Options**") in exchange, for such Nuvo Options as provided in the plan of arrangement (the "**Plan of Arrangement**") attached as Appendix G to the Management Information Circular, are hereby approved.

3. The Arrangement Agreement (as defined in the Management Information Circular) is hereby confirmed, ratified and approved.

4. Notwithstanding that this resolution has been duly passed by the shareholders of Nuvo (and the Arrangement adopted) or that the Arrangement has been approved by the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), the Board of Directors of Nuvo is hereby authorized and empowered without further notice to or approval of the shareholders of Nuvo to (i) amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted therein in any manner not inconsistent with an applicable order of the Court, (ii) determine when to file the articles of arrangement in respect of the Arrangement, and (iii) decide not to proceed with the Arrangement or revoke this resolution at any time prior to the issue of a certificate giving effect to the Arrangement.

5. Any one director or officer of Nuvo is hereby authorized and directed for and on behalf of Nuvo to execute, under the seal of Nuvo or otherwise, and to deliver articles of arrangement and all other documents and do all such other acts or things as such person determines to be necessary or desirable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

APPENDIX B

SAR/DSU RESOLUTION

BE IT RESOLVED THAT:

1. The issuance of common shares ("**Nuvo Common Shares**") in the capital of Nuvo Research Inc. ("**Nuvo**") to holders of deferred share units of Nuvo pursuant to the plan of arrangement (the "**Plan of Arrangement**") attached as Appendix G to the management information circular of Nuvo dated December 31, 2015 (the "**Management Information Circular**"), is hereby approved.

2. The issuance of Nuvo Common Shares to holders of share appreciation rights of Nuvo pursuant to the share appreciation rights plan of Nuvo, as amended and restated pursuant to the Plan of Arrangement, is hereby approved.

3. The issuance of common shares in the capital of Crescita Therapeutics Inc., the corporation resulting from the amalgamation of 2487001 Ontario Limited ("**Holdco**") and 2487002 Ontario Limited pursuant to the Plan of Arrangement, pursuant to the share appreciation rights plan of Crescita to be established by Holdco that Crescita will assume and become subject to pursuant to the Plan of Arrangement, is hereby approved.

4. Any one director or officer of Nuvo, Holdco or Crescita is hereby authorized and directed for and on behalf of Nuvo, Holdco or Crescita, as applicable, to execute, under the seal of Nuvo, Holdco or Crescita or otherwise, and to deliver all documents and do all such other acts or things as such person determines to be necessary or desirable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

APPENDIX C

CRESCITA INCENTIVE PLAN RESOLUTION

BE IT RESOLVED THAT:

1. The share incentive plan (the "**Incentive Plan**") substantially in the form attached as Appendix N to the management information circular of Nuvo Research Inc. ("**Nuvo**") accompanying the notice of this meeting is hereby authorized, approved and ratified as the share incentive plan for 2487001 Ontario Limited ("**Holdco**"), which will be assumed by Crescita Therapeutics Inc. ("**Crescita**"), the corporation resulting from the amalgamation of 2487002 Ontario Limited ("**Subco**") and Holdco pursuant to the arrangement (the "**Arrangement**") under section 182 of the *Business Corporations Act* (Ontario), involving Nuvo, its shareholders, Subco and Holdco.

2. Any one director or officer of Holdco or Crescita is hereby authorized and directed for and on behalf of Holdco or Crescita to execute, under the seal of Holdco or Crescita or otherwise, and to deliver all documents and do all such other acts or things as such person determines to be necessary or desirable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

APPENDIX D

CRESCITA RIGHTS PLAN RESOLUTION

BE IT RESOLVED THAT:

1. The rights agreement (the "**Rights Plan Agreement**") substantially in the form attached as Appendix O to the management information circular of Nuvo Research Inc. ("**Nuvo**") accompanying the notice of this meeting, as the Rights Plan Agreement may be modified or amended, is hereby authorized, approved, adopted and ratified as the rights plan for Crescita Therapeutics Inc. ("**Crescita**"), the corporation resulting from the amalgamation of 2487002 Ontario Limited ("**Subco**") and 2487001 Ontario Limited ("**Holdco**") pursuant to the arrangement (the "**Arrangement**") under section 182 of the *Business Corporations Act* (Ontario), involving Nuvo, its shareholders, Subco and Holdco.

2. The Rights Plan Agreement shall take effect on the date that the Arrangement is effected immediately following completion of the Arrangement.

3. Any one director or officer of Crescita is hereby authorized and directed for and on behalf of Crescita to execute, under the seal of Crescita or otherwise, and to deliver all documents and do all such other acts or things as such person determines to be necessary or desirable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

APPENDIX E

NUVO INCENTIVE PLAN RESOLUTION

BE IT RESOLVED THAT:

1. The amendment to the share incentive plan (the "**Nuvo Incentive Plan**") of Nuvo Research Inc. ("**Nuvo**") to provide that the aggregate maximum percentage of common shares of Nuvo ("**Nuvo Common Shares**") made available for, and reserved for issuance under the Nuvo Incentive Plan will remain unchanged at 15% of the total number of Nuvo Common Shares outstanding from time to time, and the allocation of such maximum percentage among the Nuvo Option Plan, Nuvo Bonus Plan and Nuvo Purchase Plan shall be determined by the Board of Directors of Nuvo (or a committee thereof) from time to time (provided that the maximum number of Nuvo Common Shares that may be issued under the Nuvo Bonus Plan shall not exceed a fixed number of Nuvo Common Shares equal to 3% of the number of Nuvo Common Shares outstanding immediately following the Arrangement Time), as more particularly described in the management information circular of Nuvo dated December 31, 2015, is hereby authorized, approved and ratified.

2. Any one director or officer of Nuvo is hereby authorized and directed for and on behalf of Nuvo to execute, under the seal of Nuvo or otherwise, and to deliver all documents and do all such other acts or things as such person determines to be necessary or desirable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

APPENDIX F

NUVO BY-LAW RESOLUTION

BE IT RESOLVED THAT:

1. The amendment and restatement of By-Law Number 1 of Nuvo Research Inc. ("**Nuvo**"), as shown in the compared version of such by-law attached as Appendix Q to the management information circular of Nuvo dated December 31, 2015, is hereby authorized, approved and ratified.

2. Any one director or officer of Nuvo is hereby authorized and directed for and on behalf of Nuvo to execute, under the seal of Nuvo or otherwise, and to deliver all documents and do all such other acts or things as such person determines to be necessary or desirable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

APPENDIX G

PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT UNDER SECTION 182
OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO)

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms will have the respective meanings set out below and grammatical variations of such terms will have the corresponding meanings:

"**Amalgamating Corporations**" means Holdco and Subco;

"**Applicable Law**" means, with respect to any Person, any domestic or foreign federal, national, state, provincial or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority that is binding upon or applicable to such Person, as amended unless expressly specified otherwise;

"**Arrangement**" means the arrangement pursuant to the provisions of section 182 of the OBCA on the terms set forth in this Plan of Arrangement, subject to any amendment or supplement thereto made in accordance with the Arrangement Agreement, this Plan of Arrangement or at the direction of the Court;

"**Arrangement Agreement**" means the arrangement agreement dated December 14, 2015 between Nuvo, Subco and Holdco relating to the Arrangement, as it may be amended, modified or supplemented from time to time in accordance with its terms;

"**Arrangement Date**" means the effective date of the Arrangement, being the date shown on the Certificate of Arrangement;

"**Arrangement Resolution**" means the special resolution of the Shareholders approving this Plan of Arrangement as required by the OBCA and the Interim Order;

"**Arrangement Time**" means 12:10 a.m. (Eastern Time) on the Arrangement Date;

"**Articles of Arrangement**" means the articles of arrangement of Nuvo in respect of the Arrangement in the form required by the OBCA to be sent to the OBCA Director following the issuance of the Final Order;

"**Board**" or "**Board of Directors**" means the Board of Directors of Nuvo;

"**Business Day**" means a day, other than a Saturday, Sunday or statutory or civic holiday in Ontario, when banks are generally open for the transaction of business in Toronto, Ontario;

"**Butterfly Proportion**" means an amount equal to the fraction (A)/(B) where:

(A) is the volume weighted average trading price of the Crescita Common Shares on the TSX for the first five trading days commencing on the date upon which the Crescita Common Shares commence trading on the TSX following the completion of the Arrangement; and

(B) is the sum of the amount determined under (A) above, plus the volume weighted average trading price of the Post-Arrangement Nuvo Common Shares on the TSX for the first five trading days commencing on the date upon which the Post-Arrangement Nuvo Common Shares commence trading on the TSX without any entitlement to the Crescita Common Shares;

"**Certificate of Arrangement**" means the Certificate of Arrangement to be issued by the OBCA Director under the OBCA giving effect to the Arrangement;

"**Court**" means the Ontario Superior Court of Justice;

"**Crescita**" means the corporation under the OBCA formed by the amalgamation of Subco and Holdco pursuant to this Plan of Arrangement;

"**Crescita Arrangement Options**" means the Crescita Options to be granted pursuant to Section 2.3(h) of this Plan of Arrangement;

"**Crescita Arrangement SARs**" means the share appreciation rights to be granted under the Crescita SARs Plan pursuant to Section 2.3(k) of this Plan of Arrangement;

"**Crescita Common Shares**" means the common shares in the capital of Crescita having the terms and conditions set out in Exhibit VII to the Plan of Arrangement and includes, unless the context otherwise requires, any rights issued pursuant to the Crescita Rights Plan and attached to such common shares;

"**Crescita Incentive Plan**" means the share incentive plan to be established by Holdco pursuant to Section 2.3(g) of this Plan of Arrangement that Crescita will assume and become subject to pursuant to 2.7(b)(vii) of this Plan of Arrangement;

"**Crescita Option Holder**" means a Person who holds a Crescita Option;

"**Crescita Option Plan**" means the share option plan to be established by Holdco pursuant to Section 2.3(g) of this Plan of Arrangement that Crescita will assume and become subject to pursuant to Section 2.7(b)(vii) of this Plan of Arrangement, and that will form part of the Crescita Incentive Plan;

"**Crescita Options**" means, prior to the amalgamation of Subco and Holdco pursuant to the Arrangement, the options to purchase Holdco Common Shares granted under the Crescita Option Plan, including the Crescita Arrangement Options, and following the completion of the amalgamation of Subco and Holdco pursuant to the Arrangement, the options to purchase Crescita Common Shares granted under the Crescita Option Plan, including the Crescita Arrangement Options;

"**Crescita SARs Plan**" means the share appreciation rights plan to be established by Holdco pursuant to Section 2.3(j) of this Plan of Arrangement that Crescita will assume and become subject to pursuant to Section 2.7(b)(vii) of this Plan of Arrangement;

"**Dissent Rights**" has the meaning ascribed thereto in Section 3.1 of this Plan of Arrangement;

"**Dissenting Shareholder**" means a Shareholder who dissents in respect of the Arrangement in strict compliance with the Dissent Rights and who has not withdrawn such exercise of Dissent Rights prior to the Arrangement Time;

"**Distribution Record Date**" means the close of business on the second trading day on the TSX following the Arrangement Date or such other date as the Board and the Board of Directors of Crescita may select;

"**Final Order**" means the final order of the Court to be made in connection with approval of the Arrangement, as such order may be varied or amended by the Court at any time prior to the Arrangement Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or amended on appeal;

"**Governmental Authority**" means any (a) multinational, federal, national, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry or agency, domestic or foreign, (b) any subdivision, agent, commission, board, or authority of any of the foregoing, (c) any quasi-governmental or private body exercising any regulatory, self-regulatory, expropriation or taxing authority under or for the account of any of the foregoing, or (d) any stock exchange;

"**Holdco**" means 2487001 Ontario Limited, an OBCA corporation;

"**Holdco Common Shares**" means the common shares in the capital of Holdco;

"**Holdco Preferred Shares**" means the first preference shares and second preference shares in the capital of Holdco, which will not include the Holdco Reorganization Shares;

"**Holdco Redemption Note**" has the meaning ascribed thereto in Section 2.3(m) of this Plan of Arrangement;

"**Holdco Reorganization Shares**" means the shares designated as the reorganization preferred shares in the capital of Holdco;

"**Interim Order**" means the interim order of the Court to be issued under section 182 of the OBCA pursuant to the application by Nuvo providing, among other things, for declarations and directions with respect to the Arrangement and the Meeting, as such order may be varied or amended at any time prior to the Meeting;

"**Meeting**" means the special meeting of Shareholders, including any adjournment(s) or postponement(s) thereof, to be convened as provided in the Interim Order to consider and to vote on, among other things, the Arrangement Resolution and such other matters as may properly come before the meeting;

"**Nuvo**" means, prior to the completion of the transactions set forth in Section 2.3(r) of this Plan of Arrangement, Nuvo Research Inc., an OBCA corporation, and from and after the completion of the transactions set forth in Section 2.3(r) of this Plan of Arrangement, Nuvo Pharmaceuticals Inc., an OBCA corporation;

"**Nuvo Butterfly Shares**" means the new class of special shares in the capital of Nuvo having the rights, privileges, restrictions and conditions set out in Exhibit I to this Plan of Arrangement;

"**Nuvo Common Shares**" means, prior to the Arrangement, the existing common shares in the capital of Nuvo that are to be re-designated as "Class A Common Shares" pursuant to Section 2.3(c) of this Plan of Arrangement, and includes, unless the context otherwise requires, any rights issued pursuant to the Nuvo Rights Plan and attached to such common shares and, after the Arrangement, the Post-Arrangement Nuvo Common Shares;

"**Nuvo DSU**" means a deferred share unit credited under a Nuvo DSU Plan;

"**Nuvo DSU Holder**" means a Person who has been credited one or more Nuvo DSUs under a Nuvo DSU Plan;

"**Nuvo DSU Plans**" means, collectively, Nuvo's deferred share unit plan for employees and Nuvo's deferred share unit plan for non-employee directors;

"**Nuvo DSU Withholding Amount**" means, in respect of a Nuvo DSU Holder, an amount equal to the product obtained by dividing (a) the aggregate amount that Nuvo is required to deduct and withhold under the Tax Act as a result of the exchange of such Nuvo DSU Holder's Nuvo DSUs for Nuvo Common Shares pursuant to Section 2.3(b) of this Plan of Arrangement, if any, by (b) the number of Nuvo DSUs held by such Nuvo DSU Holder immediately prior to the Arrangement Time;

"**Nuvo Incentive Plan**" means Nuvo's share incentive plan in the form approved by Nuvo's shareholders at Nuvo's annual and special meeting held on June 11, 2014;

"**Nuvo Option Holder**" means a Person who holds a Nuvo Option;

"**Nuvo Option Plan**" means Nuvo's share option plan forming part of the Nuvo Incentive Plan;

"**Nuvo Options**" means the options to purchase Nuvo Common Shares granted under the Nuvo Option Plan that are outstanding immediately prior to the Arrangement Time;

"**Nuvo Redemption Note**" has the meaning ascribed thereto in Section 2.3(n) of this Plan of Arrangement;

"**Nuvo Rights Plan**" means the rights agreement (amended and restated) of the Corporation dated as of December 16, 1992 between Nuvo and CIBC Mellon Trust Company, as rights agent;

"**Nuvo SARs**" means the share appreciation rights issued under the Nuvo SARs Plan;

"**Nuvo SARs Holder**" means a Person who has been granted one or more Nuvo SARs under the Nuvo SARs Plan;

"**Nuvo SARs Plan**" means Nuvo's share appreciation rights plan;

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended;

"**OBCA Director**" means the Director appointed pursuant to Section 278 of the OBCA;

"**Participating Shareholder**" means a Shareholder, other than a Dissenting Shareholder;

"**Person**" means any individual, partnership, association, body corporate, trust, trustee, executor, administrator, legal representative, Governmental Authority or other entity.;

"**Plan of Arrangement**" means this plan of arrangement, as amended or supplemented from time to time in accordance with the terms hereof;

"**Post-Arrangement Nuvo Common Shares**" means the common shares in the capital of Nuvo having the terms and conditions set out in Exhibit I to this Plan of Arrangement, to be issued under the Arrangement to Shareholders (other than Dissenting Shareholders) in exchange, in part, for existing common shares in the capital of Nuvo held by them and includes, unless the context otherwise requires, any rights issued pursuant to the Nuvo Rights Plan and attached to such common shares;

"**Post-Arrangement Nuvo Options**" means the options to purchase Post-Arrangement Nuvo Common Shares granted under the Nuvo Option Plan pursuant to Section 2.3(h) of this Plan of Arrangement;

"**Post-Arrangement Nuvo SARs**" means the share appreciation rights granted by Nuvo under the Nuvo SARs Plan pursuant to Section 2.3(k) of this Plan of Arrangement;

"**SAR/DSU Resolution**" means the ordinary resolution approving (a) the issuance of Nuvo Common Shares pursuant Section 2.3(b) of this Plan of Arrangement in exchange for outstanding Nuvo DSUs, (b) the issuance of Nuvo Common Shares pursuant to the Nuvo SARs Plan, as amended and restated pursuant to Section 2.3(i) of this Plan of Arrangement, and (c) the issuance of Crescita Common Shares pursuant to the Crescita SARs Plan;

"**Shareholders**" means the registered holders of Nuvo Common Shares at the applicable time;

"**Subco**" means 2487002 Ontario Limited, an OBCA corporation and, immediately prior to the Arrangement Time, a wholly-owned Subsidiary of Nuvo;

"**Subco Shares**" means the common shares in the capital of Subco;

"**Subsidiary**" means, in respect of a specified Person, a second Person that is controlled, directly or indirectly, by the specified Person, and includes a Subsidiary of the second Person; provided that, for greater certainty, for the purposes of this Plan of Agreement, (a) prior to the completion of the events and transactions described in Section 2.3 of this Plan of Arrangement, a "Subsidiary" of Nuvo shall include Holdco and Subco and their respective Subsidiaries, and (b) from and after the completion of the events and transactions described in Section 2.3 of this Plan of Arrangement, a "Subsidiary" of Nuvo shall not include Holdco, Subco or Crescita or any of their respective Subsidiaries;

"**Tax Act**" means the *Income Tax Act* (Canada), as amended, including the regulations promulgated thereunder;

"**Transfer Agent**" means the transfer agent for the Nuvo Common Shares or the Crescita Common Shares, as applicable;

"**Transferred Property**" means all of the Subco Shares held by Nuvo immediately prior to the Arrangement Time; and

"**TSX**" means the Toronto Stock Exchange.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Plan of Arrangement into Articles, Sections, and other portions and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation hereof. Unless otherwise indicated, all references to an "Article" or "Section" followed by a number and/or a letter refer to the specified Article or Section of this Plan of Arrangement. The terms "hereof', "herein" and "hereunder" and similar expressions refer to this Plan of Arrangement and not to any particular Article, Section or other portion hereof.

1.3 Rules of Construction

In this Plan of Arrangement, unless the context otherwise requires, (a) words importing the singular number include the plural and *vice versa*, (b) words importing any gender include all genders, and (c) "include", "includes" and "including" will be deemed to be followed by the words "without limitation".

1.4 Currency

Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada and "$" refers to Canadian dollars.

1.5 Date for Any Action

If the date on which any action is required or permitted to be taken hereunder by a Person is not a Business Day, such action will be required or permitted to be taken on the next succeeding day which is a Business Day.

1.6 References to Dates, Statutes, etc.

(a) In this Agreement, references from or through any date mean, unless otherwise specified, from and including that date and/or through and including that date, respectively.

(b) In this Plan of Arrangement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute, regulation, direction or instrument is to that statute, regulation, direction or instrument as now enacted or as the same may from time to time be amended, re-enacted or replaced, and in the case of a reference to a statute, includes any regulations, rules, policies or directions made thereunder. Any reference in this Plan of Arrangement to a Person includes its heirs, administrators, executors, legal personal representatives, predecessors, successors and permitted assigns. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with its terms.

1.7 Time

Time will be of the essence in every matter or action contemplated hereunder. All times expressed herein are Toronto, Ontario time unless otherwise stipulated herein.

1.8 Exhibits

The following Exhibits are attached to this Plan of Arrangement and form part hereof:

Exhibit I	–	Initial Amendment to the Articles of Nuvo
Exhibit II	–	Amended and Restated Nuvo Incentive Plan
Exhibit III	–	Crescita Incentive Plan
Exhibit IV	–	Amended and Restated Nuvo SARs Plan
Exhibit V	–	Crescita SARs Plan
Exhibit VI	–	Subsequent Amendment to the Articles of Nuvo
Exhibit VII	–	Terms and Conditions of the Shares of Crescita
Exhibit VIII	–	By-Laws of Crescita

ARTICLE 2
THE ARRANGEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to the Arrangement Agreement.

2.2 Binding Effect

This Plan of Arrangement will become effective at, and be binding at and after, the Arrangement Time on: (i) Nuvo and its Subsidiaries, including Subco; (ii) Holdco; (iii) all Shareholders (including those described in Section 3.1) and all beneficial owners of Nuvo Common Shares; (iv) all Nuvo Option Holders; (v) all Nuvo DSU Holders; and (vi) all Nuvo SARs Holders.

2.3 Arrangement Time

Commencing at the Arrangement Time, the following events or transactions will occur and will be deemed to occur in the following sequence without any further act, authorization or formality:

(a) The Nuvo Common Shares held by Dissenting Shareholders, who duly exercise their Dissent Rights and who are ultimately entitled to be paid fair value for those Nuvo Common Shares, will be deemed to have been transferred to Nuvo and cancelled and will cease to be outstanding at the Arrangement Time, and such Dissenting Shareholders will cease to have any rights as Shareholders other than the right to be paid the fair value for their Nuvo Common Shares by Nuvo;

(b) Subject to Section 4.3(b), for each Nuvo DSU outstanding on the Arrangement Date held by a Nuvo DSU Holder, such holder will dispose of such holder's rights in such Nuvo DSU to Nuvo and Nuvo will grant, in consideration therefor, either (x) if the SAR/DSU Resolution is approved, one Nuvo Common Share, or (y) if the SAR/DSU Resolution is not approved, a cash payment equal to the Market Price per Unit (as defined in the applicable Nuvo DSU Plan) on the last trading day prior to the Arrangement Date, and in each case:

(i) no other consideration will be received by any Nuvo DSU Holder (in his or her capacity as such);

(ii) the Nuvo DSUs so exchanged will be cancelled; and

(iii) the Nuvo DSU Plan will be terminated;

(c) The articles of Nuvo will be amended as set out in Exhibit I to this Plan of Arrangement to:

(i) change the designation of the Nuvo Common Shares from "Common Shares" to "Class A Common Shares" and change the voting rights attached to the Nuvo Common Shares, whether issued or unissued, to two votes per share; and

(ii) create and authorize the issuance of (in addition to the shares it is authorized to issue immediately before such amendment):

(A) an unlimited number of Post-Arrangement Nuvo Common Shares; and

(B) an unlimited number of Nuvo Butterfly Shares;

each new class having the rights, privileges, restrictions and conditions set out in such Exhibit;

(d) Each Nuvo Common Share outstanding on the Arrangement Date held by a Participating Shareholder (including any Nuvo Common Shares issued to the Nuvo DSU Holders pursuant to Section 2.3(b)) will be changed into (without any action on the part of the holder of the Nuvo Common Shares) one Post-Arrangement Nuvo Common Share and one Nuvo Butterfly Share in accordance with Section 168(1)(h) of the OBCA, such that:

(i) the aggregate addition to the stated capital accounts of the Post-Arrangement Nuvo Common Shares and the Nuvo Butterfly Shares issued by Nuvo pursuant to this Section 2.3(d) will equal the stated capital of the Nuvo Common Shares (excluding any Nuvo Common Shares transferred to Nuvo pursuant to Section 2.3(a)) immediately before the event described in this Section 2.3(d). Such stated capital amount will be allocated to the Nuvo Butterfly Shares in an amount equal to the aggregate fair market value of the Nuvo Butterfly Shares, with the remaining amount being allocated to the Post-Arrangement Nuvo Common Shares;

(ii) no other consideration will be received by any holder of such Nuvo Common Shares; and

(iii) the Nuvo Common Shares so exchanged will be cancelled;

(e) Each Participating Shareholder will transfer to Holdco, with good and marketable title thereto and free and clear of all liens, charges, claims and encumbrances, all such Participating Shareholder's Nuvo Butterfly Shares and, as the sole consideration therefor, Holdco will issue in exchange one Holdco Common Share for each Nuvo Butterfly Share so transferred and at the time of such transfer the stated capital account for the Holdco Common Shares will be increased by an amount equal to the aggregate fair market value of the transferred Nuvo Butterfly Shares;

(f) The terms and conditions of the Nuvo Incentive Plan will be amended and restated in the form set forth in Exhibit II to this Plan of Arrangement;

(g) The Crescita Incentive Plan will come into force with the terms and conditions set out in Exhibit III to this Plan of Arrangement;

(h) For each Nuvo Option outstanding on the Arrangement Date held by a Nuvo Option Holder, such holder will dispose of (i) a portion of such holder's rights in such Nuvo Option to Nuvo and Nuvo will grant, in consideration therefor, one Post-Arrangement Nuvo Option to such holder and (ii) the remaining portion of such holder's rights in such Nuvo Option to Holdco and Holdco will grant, in consideration therefor, one Crescita Arrangement Option to such holder, such that:

(i) the only consideration a Nuvo Option Holder will receive for the disposition of his or her Nuvo Options will be Post-Arrangement Nuvo Options and Crescita Arrangement Options, with such exchange being subject to Section 2.4; and

(ii) the Nuvo Options so exchanged will be cancelled;

(i) The terms and conditions of the Nuvo SARs Plan will be amended and restated in the form set forth in Exhibit IV to this Plan of Arrangement;

(j) The Crescita SARs Plan will come into force with the terms and conditions set out in Exhibit V to this Plan of Arrangement;

(k) For each Nuvo SAR outstanding on the Arrangement Date held by a Nuvo SARs Holder, such holder will dispose of (i) a portion of such holder's rights in such Nuvo SAR to Nuvo and Nuvo will grant, in consideration therefor, one Post-Arrangement Nuvo SAR to such holder and (ii) the remaining portion of such holder's rights in such Nuvo SAR to Holdco and Holdco will grant, in consideration therefor, one Crescita Arrangement SAR to such holder, such that:

(i) the only consideration a Nuvo SARs Holder will receive for the disposition of his or her Nuvo SARs will be Post-Arrangement Nuvo SARs and Crescita Arrangement SARs, with such exchange being subject to Section 2.5; and

(ii) the Nuvo SARs so exchanged will be cancelled;

(l) Nuvo will transfer the Transferred Property to Holdco in consideration for (i) the Crescita Arrangement Options granted by Holdco to Nuvo Option Holders pursuant to Section 2.3(h), (ii) the Crescita Arrangement SARs granted by Holdco to Nuvo SARs Holders pursuant to Section 2.3(k) and (iii) the issuance by Holdco to Nuvo of one Holdco Reorganization Share for each Subco Share transferred to Holdco, and in respect of such transfer:

(i) Nuvo will jointly elect with Holdco, in prescribed form and within the time allowed by subsection 85(6) of the Tax Act, to have the provisions of subsection 85(1) of the Tax Act apply to the transfer of the Transferred Property; and

(ii) the amount added to the stated capital in respect of the Holdco Reorganization Shares issued as consideration for the transfer of the Transferred Property will equal the amount Nuvo and Holdco agree to in their election referred to in Section 2.3(l)(i) above less an amount equal to the aggregate fair market value of the aforementioned Crescita Arrangement Options and Crescita Arrangement SARs at the time they are so issued;

(m) (i) Holdco will redeem all of the Holdco Reorganization Shares held by Nuvo and will issue to Nuvo, in consideration therefor, a non-interest bearing demand promissory note in a principal amount equal to the aggregate redemption amount for the Holdco Reorganization Shares that will mature on the 360th day following its original issue if the principal thereon has not previously been repaid (the "**Holdco Redemption Note**"), and (ii) Holdco shall be deemed to have designated the full amount of the dividend that will be deemed under the Tax Act to be paid by it to Nuvo upon the redemption of the Holdco Reorganization Shares in this Section 2.3(m) to be an eligible dividend for the purposes of subsection 89(14) of the Tax Act, which designation shall be deemed to have been made at the time of such deemed dividend;

(n) (i) Nuvo will redeem all of the Nuvo Butterfly Shares held by Holdco and will issue to Holdco, in consideration therefor, a non-interest bearing demand promissory note in a principal amount equal to such aggregate redemption amount for the Nuvo Butterfly Shares that will mature on the 360th day following its original issue if the principal thereon has not previously been repaid (the "**Nuvo Redemption Note**"), and (ii) Nuvo shall be deemed to have designated the full amount of the dividend that will be deemed under the Tax Act to be paid by it to Holdco upon the redemption of the Nuvo Butterfly Shares in this Section 2.3(n) to be an eligible dividend for purposes of subsection 89(14) of the Tax Act, which designation shall be deemed to have been made at the time of such deemed dividend;

(o) Nuvo will repay the principal amount of the Nuvo Redemption Note by transferring to Holdco the Holdco Redemption Note which will be accepted by Holdco as full payment, satisfaction and discharge of Nuvo's obligations under the Nuvo Redemption Note and, simultaneously, Holdco will repay the principal amount of the Holdco Redemption Note by transferring to Nuvo the Nuvo Redemption Note which will be accepted by Nuvo as full payment, satisfaction and discharge of Holdco's obligations under the Holdco Redemption Note, and following these transfers the Nuvo Redemption Note and the Holdco Redemption Note will both be cancelled;

(p) The articles of Holdco will be amended by deleting the Holdco Reorganization Shares from the share capital which Holdco is authorized to issue;

(q) Holdco and Subco will be amalgamated and continue as one corporation on the terms set out in Section 2.7; and

(r) The articles of Nuvo will be amended, as set out in Exhibit VI to this Plan of Arrangement, by:

(i) deleting the Nuvo Butterfly Shares and the Nuvo Common Shares (other than the Post-Arrangement Nuvo Common Shares) from the share capital which Nuvo is authorized to issue; and

(ii) changing the name of Nuvo from "Nuvo Research Inc." to "Nuvo Pharmaceuticals Inc.".

2.4 Effect on Options

For purposes of the exchange of Nuvo Options in Section 2.3(h), for each Nuvo Common Share that a Nuvo Option Holder would have been entitled to acquire under its Nuvo Option, such holder will be entitled to acquire one Post-Arrangement Nuvo Common Share under the Post-Arrangement Nuvo Option received in the exchange and one Crescita Common Share under the Crescita Arrangement Option received in the exchange. The original exercise price of each Nuvo Option Holder's Nuvo Options will be allocated to the Post-Arrangement Nuvo Options and the Crescita Arrangement Options acquired by such holder on the exchange in Section 2.3(h), such that an amount equal to the Butterfly Proportion of such original exercise price (rounded up to the nearest whole cent) will be payable to Crescita for each Crescita Common Share acquired under the Crescita Arrangement Options and an amount equal to the remainder of the original exercise price (rounded up to the nearest whole cent) will be payable to Nuvo for each Post-Arrangement Nuvo Common Share acquired under the Post-Arrangement Nuvo Options.

2.5 Effect on SARs

(a) The grant price for each Post-Arrangement Nuvo SAR shall be deemed to be an amount equal to the difference between (i) the original grant price of the Nuvo SAR for which such Post-Arrangement Nuvo SAR was exchanged pursuant to Section 2.3(k), and (ii) the product obtained by multiplying (A) the original grant price of the Nuvo SAR for which such Post-Arrangement Nuvo SAR was exchanged as part of this Plan of Arrangement, by (B) the Butterfly Proportion.

(b) The grant price for each Crescita Arrangement SAR shall be deemed to be an amount equal to the product obtained by multiplying (i) the original grant price of the Nuvo SAR for which such Crescita Arrangement SAR was exchanged pursuant to Section 2.3(k), by (ii) the Butterfly Proportion.

(c) For purposes of this Section 2.5, references to the "Nuvo SARs Plan" shall be deemed to be references to such plan as amended and restated pursuant to Section 2.3(i) of this Plan of Arrangement.

2.6 Registers of Holders

(a) Upon the deemed transfer of the Nuvo Common Shares held by Dissenting Shareholders pursuant to Section 2.3(a), the name of each Dissenting Shareholder will be deemed to be removed from the register of holders of Nuvo Common Shares.

(b) Upon the exchange of the Nuvo Common Shares pursuant to Section 2.3(d), the name of each Participating Shareholder will be deemed to be removed from the register of holders of Nuvo Common Shares and will be deemed to be added to the registers of holders of Post-Arrangement Nuvo Common Shares and Nuvo Butterfly Shares as the holder of the number of Post-Arrangement Nuvo Common Shares and Nuvo Butterfly Shares respectively issued to such Participating Shareholder.

(c) Upon the cancellation of Nuvo Common Shares pursuant to Sections 2.3(a) and 2.3(d), appropriate entries will be made in the register of holders of Nuvo Common Shares.

(d) Upon the transfer of the Nuvo Butterfly Shares pursuant to Section 2.3(e), (i) the name of each Participating Shareholder will be deemed to be removed from the register of holders of Nuvo Butterfly Shares and will be deemed to be added to the register of holders of Holdco Common Shares, and (ii) Holdco will be deemed to be recorded as the registered holder of the Nuvo Butterfly Shares on the register of holders of Nuvo Butterfly Shares and will be deemed to be the legal and beneficial owner thereof.

(e) Upon the transfer of the Transferred Property pursuant to Section 2.3(l), (i) Nuvo will be deemed to be removed from the register of holders of Subco Shares and will be deemed to be added to the register of holders of Holdco Reorganization Shares, and (ii) Holdco will be deemed to be recorded as the registered holder of the Subco Shares on the register of holders of Subco Shares and will be deemed to be the legal and beneficial owner thereof.

(f) Upon the redemption of the Holdco Reorganization Shares pursuant to Section 2.3(m), Nuvo will be deemed to be removed from the register of holders of Holdco Reorganization Shares and appropriate entries will be made in the register of holders of Holdco Reorganization Shares.

(g) Upon the redemption of the Nuvo Butterfly Shares pursuant to Section 2.3(n), Holdco will be deemed to be removed from the register of holders of Nuvo Butterfly Shares and appropriate entries will be made in the register of holders of Nuvo Butterfly Shares.

(h) Upon the amalgamation of the Amalgamating Corporations pursuant to Section 2.3(q), the register of holders of Holdco Common Shares will be deemed to be the register of holders of Crescita Common Shares.

2.7 Amalgamation Matters

(a) Upon the amalgamation of the Amalgamating Corporations pursuant to Section 2.3(q), the following provisions will apply to Crescita:

(i) the Articles of Arrangement shall be deemed to be the articles of amalgamation of Crescita and the Certificate of Arrangement issued in respect of the Articles of Arrangement by the OBCA Director shall be deemed to be the certificate of amalgamation and certificate of incorporation of Crescita;

(ii) the name of Crescita will be "Crescita Therapeutics Inc." and the registered office of Crescita will be located at 7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4;

(iii) the authorized capital of Crescita will be:

(A) an unlimited number of common shares with the rights, privileges, restrictions and conditions attached to the Holdco Common Shares; and

(B) an unlimited number of first preference shares and second preference shares, with the rights, privileges, restrictions and conditions attached to the Holdco Preferred Shares;

as such rights, privileges, restrictions and conditions attaching to such common shares and preference shares are set forth in Exhibit VII to this Plan of Arrangement;

(iv) there will be no restrictions on the business that Crescita is authorized to carry on or the powers that Crescita may exercise;

(v) the board of directors of Crescita will, until otherwise changed in accordance with the OBCA, consist of a minimum of three and a maximum of twelve directors. The first directors of Crescita will be the individuals listed in the table below. Such directors will hold office until the close of the next annual meeting of shareholders of Crescita or until their successors are elected or appointed;

Name	**Canadian Resident**	**Address for Service**
Daniel Chicoine	Yes	7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4
David A. Copeland	Yes	7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4
Anthony E. Dobranowski	Yes	7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4
Dr. Henrich R.K. Guntermann	No	7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4
Dr. Klaus von Lindeiner	No	7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4
John C. London	Yes	7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4
Dr. Theodore H. Stanley	No	7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4

(vi) the holders of Crescita Common Shares shall be deemed to have passed a special resolution under Section 125(3) of the OBCA empowering the directors of Crescita to determine the number of directors of Crescita, within the minimum and maximum number of directors provided for in Crescita's articles;

(vii) all authorizations previously given by the shareholders and boards of directors of the Amalgamating Corporations and their predecessors will be deemed to be authorizations given by the shareholders and board of directors of Crescita;

(viii) the first officers of Crescita will be the officers of Holdco immediately prior to the Arrangement Time;

(ix) Ernst & Young LLP will be the auditors of Crescita, to hold office until the close of the next annual meeting of shareholders of Crescita, or until Ernst & Young LLP resigns as contemplated by Section 150 of the OBCA or are removed from office as contemplated by Section 149(4) of the OBCA, and the directors of Crescita will be authorized to fix their remuneration;

(x) the by-laws of Crescita, until repealed, amended or altered, will be the by-laws attached as Exhibit VIII hereto; and

(xi) the year end of Crescita will be the year end of Holdco.

(b) The effect of the amalgamation of the Amalgamating Corporations referred to in Section 2.3(q) will be as follows:

(i) the Amalgamating Corporations will cease to exist as entities separate from Crescita;

(ii) all of the property (except any amounts receivable from, or shares of the capital stock of, any Amalgamating Corporation) of the Amalgamating Corporations immediately before the amalgamation will continue to be the property of Crescita;

(iii) all of the liabilities (except any amounts payable to any Amalgamating Corporation) of the Amalgamating Corporations immediately before the amalgamation will become liabilities of

Crescita and, as a result, Crescita will continue to be liable for the obligations of each Amalgamating Corporation;

(iv) any existing cause of action, claim or liability to prosecution of an Amalgamating Corporation will be unaffected;

(v) any civil, criminal or administrative action or proceeding pending by or against an Amalgamating Corporation may be continued to be prosecuted by or against Crescita, and Crescita will be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against Holdco or Subco before the Arrangement Date;

(vi) any conviction against, or ruling, order or judgment in favour of or against, an Amalgamating Corporation may be enforced by or against Crescita; and

(vii) for greater certainty:

(A) each issued and outstanding Holdco Common Share will be deemed a Crescita Common Share;

(B) each outstanding option to purchase Holdco Common Shares will be deemed an option to acquire an equivalent number of Crescita Common Shares at the same exercise price and on the same terms as are provided for in such option, and Crescita will assume and become subject to the Crescita Incentive Plan;

(C) each outstanding share appreciation right that entitles the holder thereof to Holdco Common Shares upon the settlement of such share appreciation right will be deemed a share appreciation right that entitles the holder thereof to an equivalent number of Crescita Common Shares on the same terms as are provided for in such share appreciation right, and Crescita will assume and become subject to the Crescita SARs Plan;

(D) no securities shall be issued and no assets shall be distributed by the Amalgamating Corporations in connection with the amalgamation; and

(E) all issued and outstanding shares of Subco will be deemed cancelled, without any repayment of capital in respect thereof, on a basis that does not entitle the holders thereof to any consideration, and thereafter the holders of such securities will not have any rights, liabilities or other obligations in respect of such securities.

(c) The stated capital of the Crescita Common Shares will be equal to the aggregate of the paid-up capital (as determined for the purposes of the Tax Act) of the Holdco Common Shares.

2.8 Arrangement Effectiveness

The Arrangement will become finally and conclusively binding and effective as at the Arrangement Time.

2.9 Deemed Fully Paid and Non-Assessable Shares

All Post-Arrangement Nuvo Common Shares, Nuvo Butterfly Shares, Holdco Common Shares, Holdco Reorganization Shares and Crescita Common Shares issued pursuant hereto will be deemed to be or have been validly issued and outstanding as fully paid and non-assessable shares for all purposes of the OBCA.

2.10 Supplementary Actions

Notwithstanding that the transaction and events set out in Section 2.3 hereof will occur, and shall be deemed to occur, in the order therein set out without any other act, authorization or formality, each of Nuvo and Crescita will make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to further document or evidence any of the transactions or events set out in Section 2.3 hereof, including without limitation, any resolution of directors authorizing the issue, transfer or purchase for cancellation of shares, any share transfer powers evidencing the transfer of shares and any receipt therefore, any promissory notes and receipts therefore and any necessary additions to, or deletions from, share registers.

ARTICLE 3
RIGHTS OF DISSENT

3.1 Rights of Dissent

(a) Shareholders may exercise rights of dissent with respect to their Nuvo Common Shares pursuant to and in the manner set forth in Section 185 of the OBCA as modified by the Interim Order and this Article 3 ("**Dissent Rights**") in connection with the Arrangement provided that, notwithstanding Section 185(6) of the OBCA, the written notice setting forth such a Shareholder's objection to the Arrangement and exercise of Dissent Rights must be received by Nuvo not later than 5:00 p.m. (Eastern Time) on the last Business Day immediately preceding the date of the Meeting or any adjournment or postponement thereof. Dissenting Shareholders who duly exercise their Dissent Rights and who:

(i) are ultimately entitled to be paid fair value for their Nuvo Common Shares, will be deemed to have transferred their Nuvo Common Shares to Nuvo as of the Arrangement Time as set out in Section 2.3(a) and will be entitled to be paid the fair value of such Nuvo Common Shares, and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights; or

(ii) are ultimately not entitled, for any reason, to be paid fair value for such Nuvo Common Shares will be deemed to have participated in the Arrangement as of and from the Arrangement Time on the same basis as a Participating Shareholder.

3.2 Recognition of Dissenting Shareholders

From and after the Arrangement Time, neither Nuvo, Holdco or Crescita, or any other Person, will be required to recognize a Dissenting Shareholder as a holder of Nuvo Common Shares or as a holder of any securities of any of Nuvo, Holdco, Crescita or any of their respective Subsidiaries and, subject to Section 3.1(a)(ii) above, at the Arrangement Time, the names of the Dissenting Shareholders will be deleted from the register of holders of Nuvo Common Shares previously maintained or caused to be maintained by Nuvo in accordance with Section 2.6(a).

3.3 Dissent Right Availability

A Shareholder will not be entitled to exercise Dissent Rights with respect to Nuvo Common Shares if such holder votes (or instructs, or is deemed by submission of any incomplete proxy to have instructed, his, her or its proxyholder to vote) in favour of the Arrangement Resolution.

3.4 Withholding Taxes

All payments made to a Dissenting Shareholder pursuant to this Article 3 will be subject to, and paid net of, all applicable withholding taxes.

ARTICLE 4
CERTIFICATES AND PAYMENTS

4.1 Entitlement to Share Certificates

(a) Upon the Arrangement becoming effective, from and including the Arrangement Date to and including the Distribution Record Date, share certificates representing Nuvo Common Shares will be deemed for all purposes to be certificates representing the Post-Arrangement Nuvo Common Shares and Crescita Common Shares issued to Participating Shareholders under the Arrangement.

(b) As soon as practicable after the Distribution Record Date, Crescita will issue and deliver, or cause its Transfer Agent to issue and deliver, to each Shareholder of record at the close of business in Toronto on the Distribution Record Date, new certificates representing the Crescita Common Shares to which such holder is entitled pursuant to the Arrangement.

(c) Following the close of business in Toronto on the Distribution Record Date, the certificates representing Nuvo Common Shares immediately prior to the Arrangement Time will be deemed for all purposes to be certificates representing only the Post-Arrangement Nuvo Common Shares issued to Participating Shareholders under the Arrangement.

(d) No certificates will be delivered to evidence the Nuvo Butterfly Shares or the Holdco Common Shares issued to Participating Shareholders under Sections 2.3(d) and 2.3(e), respectively.

4.2 Lost Certificates

If any certificate representing, immediately prior to the Arrangement Time, one or more Nuvo Common Shares has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed and the giving by such Person of a bond satisfactory to Nuvo in such sum as Nuvo may determine against any claim that may be made against Nuvo with respect to the certificate alleged to have been lost, stolen or destroyed, Nuvo (or its Transfer Agent) will make such distribution or delivery in respect of the Nuvo Common Shares represented by such lost, stolen or destroyed certificate as determined in accordance with Section 4.1(a).

4.3 Withholding Rights

(a) Nuvo and Crescita will be entitled to deduct and withhold from amounts payable under this Plan of Arrangement to any Person (including any cash payment to Nuvo DSU Holders pursuant to Section 2.3(b)), such amounts as Nuvo is required or permitted to deduct and withhold with respect to such payment under the Tax Act or any provision of any applicable federal, provincial, territorial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts will be treated for all purposes hereof as having been paid to the Person, in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

(b) Without limiting the application of Section 4.3(a), the number of Nuvo Common Shares to be delivered to each Nuvo DSU Holder pursuant to Section 2.3(b), if any, shall be reduced by a number of Nuvo Common Shares with a value (based on the closing price of the Nuvo Common Shares on the TSX on the last trading day prior to the Arrangement Date) equal to the Nuvo DSU Withholding Amount applicable to such Nuvo DSU Holder. If any such reduction would otherwise result in a fraction of a Nuvo Common Share being issued to a Nuvo DSU Holder, the aggregate number of Nuvo Common Shares to be issued to such Nuvo DSU Holder pursuant to Section 2.3(b) shall be rounded down to the nearest whole number and no payment or other adjustment will be made with respect to the fractional Nuvo Common Share disregarded.

4.4 Restatement of Articles

Outside and not as part of this Plan of Arrangement, the articles of Nuvo will be restated to reflect the amendment referred to in Section 2.3(r) of this Plan of Arrangement and such restated articles will be filed by Nuvo with the OBCA Director pursuant to section 171 of the OBCA.

ARTICLE 5
AMENDMENTS

5.1 Amendments to Plan of Arrangement

(a) Subject to the provisions of the Interim Order, any amendment, modification or supplement to this Plan of Arrangement may be proposed by Nuvo at any time prior to or at the Meeting with or without any other prior notice or communication and, if so proposed and accepted by the Shareholders voting at the Meeting, will become part of this Plan of Arrangement for all purposes.

(b) This Plan of Arrangement may be amended, modified or supplemented unilaterally by Nuvo, after the Meeting, provided that each such amendment, modification or supplement is approved by the Court and communicated to any Person(s) in the manner required by the Court.

(c) Any amendment, modification or supplement to this Plan of Arrangement which is approved or directed by the Court following the Meeting will be effective only if it is consented to by Nuvo and, if required by the Court, is consented to by or communicated to the Shareholders in the manner directed by the Court.

(d) Notwithstanding Section 5.1(b), any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order unilaterally by Nuvo, provided that it concerns a matter which, in the reasonable opinion of Nuvo, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any holder of Post-Arrangement Nuvo Common Shares or Crescita Common Shares.

ARTICLE 6
FURTHER ASSURANCES

6.1 Further Assurances

Notwithstanding that the transactions and events set out herein will occur and will be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement will make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order further to document or evidence any of the transactions or events set out herein.

ARTICLE 7
TERMINATION

7.1 Termination

Notwithstanding any prior approvals by the Court or by Shareholders, the Board of Directors may decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to the issuance of the Certificate of Arrangement, without further approval of the Court or the Shareholders.

EXHIBIT I

Initial Amendment to the Articles of Nuvo Research Inc.

The Articles of Nuvo Research Inc. (the "**Corporation**") are amended as follows in accordance with the provisions of the plan of arrangement involving the Corporation, its shareholders, 2487001 Ontario Limited and 2487002 Ontario Limited under section 182 of the *Business Corporations Act* (Ontario) (the "**Plan of Arrangement**"):

(i) to redesignate the Common Shares, both issued and unissued, as "Class A Common Shares";

(ii) to increase the authorized capital of the Corporation by creating an unlimited number of shares to be designated as "Special Shares" (referred to as "Nuvo Butterfly Shares" in the Plan of Arrangement);

(iii) to increase the authorized capital of the Corporation by creating an unlimited number of shares to be designated as "Common Shares";

(iv) to delete section 7 of the Articles of the Corporation in its entirety and replace it with the following to give effect to the foregoing: "The Corporation is authorized to issue an unlimited number of shares to be designated as Class A Common Shares, an unlimited number of shares to be designated as Common Shares, an unlimited number of shares to be designated as First Preference Shares, issuable in series, an unlimited number of shares to be designated as Second Preference Shares, issuable in series, and an unlimited number of shares to be designated as Special Shares.";

(v) to delete section 8 of the Articles of the Corporation in its entirety and replace it with the following: "Please see the attached Schedule 1"; and

(vi) to delete in their entirety pages 4A-4HH annexed to the Articles of the Corporation and replace them with the following Schedule 1:

"**Schedule 1**

ARTICLE 1
INTERPRETATION

1.01 References to " Act": In this schedule, as from time to time amended, unless there is something in the context inconsistent herewith, "Act" means the *Business Corporations Act* (Ontario), or its successor, as amended from time to time.

1.02 Headings, Gender, Number: This schedule as from time to time amended, shall be read without regard to paragraph headings, which are included for ease of reference only, and with all changes in gender and number required by the context.

ARTICLE 2
CLASS A COMMON SHARES AND COMMON SHARES

The Class A Common Shares and the Common Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

2.01 Votes:

(a) The holders of Class A Common Shares are entitled to receive notice of, and to attend, all meetings of shareholders of the Corporation, except meetings at which only holders of another specified class or series of shares are entitled to vote. The holders of Class A Common Shares are entitled to two votes for each one Class A Common Share held on all polls taken at such meetings.

(b) The holders of Common Shares are entitled to receive notice of, and to attend, all meetings of shareholders of the Corporation, except meetings at which only holders of another specified class or series of shares are entitled to vote. The holders of Common Shares are entitled to one vote for each one Common Share held on all polls taken at such meetings.

2.02 Dividends: Subject to the prior rights, privileges, restrictions and conditions attaching to the First Preference Shares and the Second Preference Shares, or any series thereof, respectively, and the shares of any other class ranking senior to the Class A Common Shares or Common Shares, the holders of Class A Common Shares and Common Shares shall be entitled to receive dividends as and when declared by the directors of the Corporation on an equal basis per share.

2.03 Liquidation: In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of the property and assets of the Corporation for the purpose of winding up the affairs of the Corporation, holders of Class A Common Shares and Common Shares shall, after payment to the holders of First Preference Shares, Second Preference Shares and shares of any other class ranking senior to the Class A Common Shares and Common Shares of the amount payable to them, be entitled to receive the remaining property and assets of the Corporation on an equal basis per share.

2.04 Limitation:

(a) Subject to the provisions of the Act, the holders of Class A Common Shares shall not be entitled to vote separately on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:

(i) increase or decrease any maximum number of authorized Class A Common Shares, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the Class A Common Shares;

(ii) effect an exchange, reclassification or cancellation of all or part of the Class A Common Shares; or

(iii) create a new class of shares or series equal or superior to the Class A Common Shares.

(b) Subject to the provisions of the Act, the holders of Common Shares shall not be entitled to vote separately on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:

(i) increase or decrease any maximum number of authorized Common Shares, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the Common Shares;

(ii) effect an exchange, reclassification or cancellation of all or part of the Common Shares; or

(iii) create a new class of shares or series equal or superior to the Common Shares.

2.05 Equality: With the exception of voting privileges, the Class A Common Shares and the Common Shares shall have the same rights and attributes and be the same in all respects.

ARTICLE 3
FIRST PREFERENCE SHARES

The First Preference Shares shall have attached thereto, as a class, the following rights, privileges, restrictions and conditions:

3.01 Directors' Right to Issue in One or More Series: The First Preference Shares may at any time and from time to time be issued in one or more series. Prior to the issue of First Preference Shares of any series, the directors of the Corporation shall, subject to the rights, privileges, restrictions and conditions attached to the First Preference Shares as a class, the articles of the Corporation and the provisions of the Act, by resolution amend the articles of the Corporation to fix the number of First Preference Shares in such series and determine the designation of, and the rights, privileges, restrictions and conditions attached to, the First Preference Shares of such series including, without limitation:

(a) the rate, amount or method of calculation of any dividends and whether any dividends are subject to adjustment;

(b) whether any dividends are cumulative, partly cumulative or non-cumulative;

(c) the dates, manner and currency of payments of any dividends and the date from which any dividends accrue or become payable;

(d) if redeemable or purchasable (whether at the option of the Corporation or the holder or otherwise), the redemption or purchase prices and currency or currencies thereof and the terms and conditions of redemption or purchase, with or without any provision for sinking or similar funds;

(e) the voting rights, if any;

(f) any conversion, exchange or reclassification rights; and

(g) any other terms not inconsistent with these provisions;

the whole subject to receipt by the Director appointed under the Act of articles of amendment designating and fixing the number of First Preference Shares in such series and setting forth the rights, privileges, restrictions and conditions attached thereto and the issue by the Director of a certificate of amendment with respect thereto.

3.02 Ranking of First Preference Shares of Each Series: The First Preference Shares of each series shall, with respect to the payment of dividends and the distribution of the assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation for the purpose of winding-up its affairs, rank (a) on a parity with the First Preference Shares of every other series and (b) except as otherwise set forth herein, senior to, and shall be entitled to a preference over, the Second Preference Shares, the Class A Common Shares, the Common Shares, and the shares of any other class ranking junior to the First Preference Shares. The First Preference Shares of any series shall also be entitled to such other preferences, not inconsistent with these provisions, over the Second Preference Shares, the Class A Common Shares, the Common Shares, and the shares of any other class ranking junior to the First Preference Shares as may be fixed in accordance with 3.01 hereof.

3.03 Voting Rights: Except as hereinafter specifically provided, as required by the Act or in accordance with any voting rights which may be attached to any series of First Preference Shares, the holders of First Preference Shares shall not be entitled as such to receive notice of, or to attend, any meeting of shareholders of the Corporation and shall not be entitled to vote at any such meeting; provided however that the holders of First Preference Shares shall be entitled to receive notice of meetings of shareholders of the Corporation called for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all of the property of the Corporation other than in the ordinary course of business of the Corporation.

3.04 Amendment with Approval of Holders of First Preference Shares: The rights, privileges, restrictions and conditions attached to the First Preference Shares as a class may be added to, removed or changed only with the approval of the holders of First Preference Shares given in accordance with the requirements of the Act and the minimum requirement provided in 3.05 hereof.

3.05 Approval of Holders of First Preference Shares: The approval of the holders of First Preference Shares as a class to any matters referred to in these provisions may be given as specified below:

(a) Approval and Quorum: Any approval required to be given by the holders of First Preference Shares shall be deemed to have been sufficiently given if it shall have been given by a resolution signed by all of the holders of the then outstanding First Preference Shares or by a resolution passed by the affirmative vote of not less than two-thirds of the votes cast by holders of First Preference Shares who voted in respect of that resolution at a meeting of the holders of First Preference Shares called and held for such purpose in accordance with the by-laws of the Corporation at which holders of not less than one-tenth of the then outstanding First Preference Shares are present in person or represented by proxy; provided that, if at any such meeting a quorum is not present within one-half hour after the time appointed for such meeting, the meeting shall be adjourned to the same day in the next week at the same time and to such place as the chairman of the meeting

may determine and, subject to the provisions of the Act, it shall not be necessary to give notice of such adjourned meeting. At such adjourned meeting the holders of First Preference Shares present in person or represented by proxy shall constitute a quorum and may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast by holders of First Preference Shares at such meeting shall constitute the approval of the holders of First Preference Shares.

(b) Votes: On every poll taken at any meeting in respect of which only the holders of First Preference Shares of more than one series are entitled to vote, each holder of First Preference Shares shall be entitled to one vote in respect of the greater of (i) each $1.00 of stated capital added to the appropriate stated capital account of the Corporation in respect of the issue of each such share and (ii) each $1.00 of the liquidation preference or redemption preference (excluding any amount payable in respect of declared but unpaid or accrued but unpaid dividends) attached to each such share (and if the liquidation preference and redemption preference are not the same at the applicable time, then the greater of the two).

Subject to the foregoing, the formalities to be observed with respect to proxies, the giving or waiving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed in the Act and the by-laws of the Corporation with respect to meetings of shareholders.

3.06 Shares Issued in Series with Identical Rights: Where First Preference Shares are issued in more than one series with identical rights, privileges, restrictions, conditions and designations attached thereto, all such series of First Preference Shares shall rank *pari passu* and participate equally and proportionately without discrimination or preference as if all such series of First Preference Shares had been issued simultaneously and all such series of First Preference Shares may be designated as one series.

3.07 Limitation: Subject to the provisions of the Act, the holders of First Preference Shares or any series thereof shall not, unless the rights, privileges, restrictions and conditions attached to the First Preference Shares as a class or to any particular series thereof provide to the contrary, be entitled to vote separately as a class or series on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:

(a) increase or decrease any maximum number of authorized First Preference Shares or any series thereof, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the First Preference Shares or any series thereof;

(b) effect an exchange, reclassification or cancellation of all or part of the First Preference Shares or any series thereof; or

(c) create a new class or series of shares equal or superior to the First Preference Shares or any series thereof.

ARTICLE 4
SECOND PREFERENCE SHARES

The Second Preference Shares shall have attached thereto, as a class, the following rights, privileges, restrictions and conditions:

4.01 Directors' Right to Issue in One or More Series: The Second Preference Shares may at any time and from time to time be issued in one or more series. Prior to the issue of Second Preference Shares of any series, the directors of the Corporation shall, subject to the rights, privileges, restrictions and conditions attached to the Second Preference Shares as a class, the articles of the Corporation and the provisions of the Act, by resolution amend the articles of the Corporation to fix the number of Second Preference Shares in such series and determine the designation of, and the rights, privileges, restrictions and conditions attached to, the Second Preference Shares of such series including, without limitation:

(a) the rate, amount or method of calculation of any dividends and whether any dividends are subject to adjustment;

(b) whether any dividends are cumulative, partly cumulative or non-cumulative;

(c) the dates, manner and currency of any payments of dividends and the date from which any dividends accrue or become payable;

(d) if redeemable or purchasable (whether at the option of the Corporation or the holder or otherwise), the redemption or purchase prices and currency or currencies thereof and the terms and conditions of redemption or purchase, with or without any provision for sinking or similar funds;

(e) the voting rights, if any;

(f) any conversion, exchange or reclassification rights; and

(g) any other terms not inconsistent with these provisions;

the whole subject to receipt by the Director appointed under the Act of articles of amendment designating and fixing the number of Second Preference Shares in such series and setting forth the rights, privileges, restrictions and conditions attached thereto and the issue by the Director of a certificate of amendment with respect thereto.

4.02 Ranking of Second Preference Shares of Each Series: The Second Preference Shares of each series shall, with respect to the payment of dividends and the distribution of the assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation for the purpose of winding-up its affairs, rank (a) junior and subordinate to the First Preference Shares, (b) on a parity with the Second Preference Shares of every other series and (c) except as otherwise set forth herein, senior to, and shall be entitled to a preference over, the Class A Common Shares, the Common Shares and the shares of any other class ranking junior to the Second Preference Shares. The Second Preference Shares of any series shall also be entitled to such other preferences, not inconsistent with these provisions, over the Class A Common Shares, the Common Shares, and the shares of any other class ranking junior to the Second Preference Shares as may be fixed in accordance with 4.01 hereof.

4.03 Voting Rights: Except as hereinafter specifically provided, as required by the Act or in accordance with any voting rights which may be attached to any series of Second Preference Shares, the holders of Second Preference Shares shall not be entitled as such to receive notice of, or to attend, any meeting of shareholders of the Corporation and shall not be entitled to vote at any such meeting; provided however that the holders of Second Preference Shares shall be entitled to receive notice of meetings of shareholders of the Corporation called for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all of the property of the Corporation other than in the ordinary course of business of the Corporation.

4.04 Amendment with Approval of Holders of Second Preference Shares: The rights, privileges, restrictions and conditions attached to the Second Preference Shares as a class may be added to, removed or changed only with the approval of the holders of Second Preference Shares given in accordance with the requirements of the Act and the minimum requirement provided in 4.05 hereof.

4.05 Approval of Holders of Second Preference Shares: The approval of the holders of Second Preference Shares as a class to any matters referred to in these provisions may be given as specified below:

(a) Approval and Quorum: Any approval required to be given by the holders of Second Preference Shares shall be deemed to have been sufficiently given if it shall have been given by a resolution signed by all of the holders of the then outstanding Second Preference Shares or by a resolution passed by the affirmative vote of not less than two-thirds of the votes cast by holders of Second Preference Shares who voted in respect of that resolution at a meeting of the holders of Second Preference Shares called and held for that purpose in accordance with the by-laws of the Corporation at which holders of not less than one-tenth of the then outstanding Second Preference Shares are present in person or represented by proxy; provided that, if at any such meeting a quorum is not present within one- half hour after the time appointed for such meeting, the meeting shall be adjourned to the same day in the next week at the same time and to such place as the chairman of the meeting may determine and, subject to the provisions of the Act, it shall not be necessary to give notice of such adjourned meeting. At such adjourned meeting the holders of Second Preference Shares present in person or represented by proxy shall constitute a quorum and may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast at such meeting shall constitute the approval of the holders of Second Preference Shares.

(b) Votes: On every poll taken at any meeting in respect of which only the holders of the Second Preference Shares of more than one series are entitled to vote, each holder of Second Preference Shares shall be entitled

to one vote in respect of the greater of (i) each $1.00 of stated capital added to the appropriate stated capital account of the Corporation in respect of the issue of each such share and (ii) each $1.00 of the liquidation preference or redemption preference (excluding any amount payable in respect of declared but unpaid or accrued but unpaid dividends) attached to each such share (and if the liquidation preference and redemption preference are not the same at the applicable time, then the greater of the two).

Subject to the foregoing, the formalities to be observed with respect to proxies, the giving or waiving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed in the Act and the by-laws of the Corporation with respect to meetings of shareholders.

4.06 Shares Issued in Series with Identical Rights: Where Second Preference Shares are issued in more than one series with identical rights, privileges, restrictions, conditions and designations attached thereto, all such series of Second Preference Shares shall rank *pari passu* and participate equally and proportionately without discrimination or preference as if all such series of Second Preference Shares had been issued simultaneously and all such series of Second Preference Shares may be designated as one series.

4.07 Limitation: Subject to the provisions of the Act, the holders of Second Preference Shares or any series thereof shall not, unless the rights, privileges, restrictions and conditions attached to the Second Preference Shares as a class or to any particular series thereof provide to the contrary, be entitled to vote separately as a class or series on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:

(a) increase or decrease any maximum number of authorized Second Preference Shares or any series thereof, or increase any maximum number of authorized shares of a class or any series having rights or privileges equal or superior to the Second Preference Shares or any series thereof;

(b) effect an exchange, reclassification or cancellation of all or part of the Second Preference Shares or any series thereof; or

(c) create a new class or series of shares equal or superior to the Second Preference Shares or any series thereof.

ARTICLE 5
SPECIAL SHARES

5.01 Dividends: The holders of Special Shares shall be entitled to receive non-cumulative cash dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation lawfully applicable to the payment of dividends in such amounts and payable in such manner as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to or concurrently with the holders of the Special Shares, the board of directors may, in its sole discretion, declare dividends on the Special Shares to the exclusion of any other class of shares of the Corporation. No dividends may be paid on any other class of shares of the Corporation if the realizable value of the net assets of the Corporation after the payment of the dividends would be less than the aggregate of the Nuvo Butterfly Share Redemption Amount (as defined below) relating to all the Special Shares then outstanding.

5.02 Liquidation: In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of the property and assets of the Corporation for the purpose of winding up the affairs of the Corporation, holders of Special Shares shall be entitled to a payment in priority to all other classes of shares of the Corporation of an amount per Special Share equal to the Nuvo Butterfly Share Redemption Amount to the extent of the amount of value of the property and assets of the Corporation lawfully available for distribution to its shareholders. Except for a distribution in the amount of the Nuvo Butterfly Share Redemption Amount as aforesaid, the holders of Special Shares shall not as such be entitled to receive or participate in any distribution of the property and assets of the Corporation among its shareholders.

5.03 Redemption: Subject to the provisions of the Act, the Corporation may at any time and from time to time redeem all or any part of the Special Shares at an amount per share (which shall be paid in money or, at the discretion of the Corporation, by the issuance of one or more promissory notes) equal to the Nuvo Butterfly Share Redemption Amount. The "Nuvo Butterfly Share Redemption Amount" shall be an amount equal to: (a) the volume weighted average trading price of the Class A Common Shares on the Toronto Stock Exchange for the five trading days ending on the last trading day prior to the effective date (the "**Effective Date**") of the plan of arrangement involving the Corporation, its shareholders, 2487001 Ontario Limited and

2487002 Ontario Limited under section 182 of the Act (the "**Plan of Arrangement**"); multiplied by (b) the Butterfly Proportion (as defined in the Plan of Arrangement); and plus (c) the amount of any declared but unpaid dividends per issued and outstanding Special Share.

5.04 Retraction: Following the Effective Date, subject to the provisions of the Act, every registered holder of Special Shares may at any time, at the option of such holder, require the Corporation to redeem the whole or any part of the Special Shares registered in such holder's name by depositing with the Corporation an irrevocable written request for the same, together with the share certificate or certificates, if any, representing the Special Shares to be redeemed. Upon receipt of such request and certificate or certificates the Corporation shall, subject to the provisions of the Act, redeem such Special Shares and pay such holder the Nuvo Butterfly Share Redemption Amount for each Special Share so redeemed.

5.05 Cancellation: Any Special Shares that are redeemed by the Corporation pursuant to any of the provisions hereof shall for all purposes be considered to have been redeemed on, and shall be cancelled concurrently with, the payment by the Corporation to or to the benefit of the holder thereof of the Nuvo Butterfly Share Redemption Amount.

5.06 Voting: Subject to the provisions of the Act, the holders of Special Shares shall not be entitled to receive notice of or attend or vote at any meetings of the shareholders of the Corporation.

5.07 Amount Specified: For purposes of Subsection 191(4) of the *Income Tax Act* (Canada) the amount specified in respect of each Special Share shall be the amount specified by an officer or director of the Corporation in a certificate that is made (a) effective concurrently with the issuance of such Special Share and (b) pursuant to a resolution of the board of directors of the Corporation authorizing the issuance of such Special Share, such amount to be expressed as a dollar amount (and not as a formula) that is equal to the fair market value of the consideration for which such Special Share is issued.".

EXHIBIT II

Amended and Restated Nuvo Incentive Plan

NUVO PHARMACEUTICALS INC.

THIRD AMENDED AND RESTATED SHARE INCENTIVE PLAN

ARTICLE ONE
DEFINITIONS AND INTERPRETATION

Section 1.01 Definitions:

For purposes of the Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

(a) "**Act**" means the *Business Corporations Act* (Ontario) or its successor, as amended from time to time;

(b) "**Aggregate Contribution**" means the aggregate of a Participant's Contribution and the related Corporation's Contribution;

(c) "**Arrangement Date**" has the meaning ascribed thereto in the Plan of Arrangement;

(d) "**Arrangement Options**" means Options issued as part of the Plan of Arrangement in partial exchange for Outstanding Options;

(e) "**Arrangement Participant**" has the meaning ascribed thereto in Section 4.13(c);

(f) "**Arrangement Time**" has the meaning ascribed thereto in the Plan of Arrangement;

(g) "**Basic Annual Salary**" means the basic annual remuneration of a Participant from the Corporation and its Designated Affiliates exclusive of any overtime pay, bonuses or allowances of any kind whatsoever;

(h) "**Committee**" means the Directors or, if the Directors so determine in accordance with Section 2.03 of the Plan, the committee of the Directors authorized to administer the Plan;

(i) "**Common Shares**" means the common shares of the Corporation, as adjusted in accordance with the provisions of Article Seven of the Plan;

(j) "**Corporation**" means Nuvo Research Inc., a corporation existing under the Act, which, pursuant to the Plan of Arrangement, will change its name from "Nuvo Research Inc." to "Nuvo Pharmaceuticals Inc.", and its successors;

(k) "**Corporation's Contribution**" means the amount the Corporation credits a Participant under Section 3.04 or Section 3.11;

(l) "**Crescita**" means prior to the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Plan of Arrangement, 2487001 Ontario Limited, a corporation incorporated under the Act, and from and after the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Arrangement, Crescita Therapeutics Inc., the corporation under the Act formed by the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Plan of Arrangement, and its successors;

(m) "**Crescita Consultant**" has the meaning ascribed thereto in Section 4.13(c);

(n) "**Crescita Designated Affiliate**" means the affiliates of Crescita designated by the board of directors of Crescita or the committee of the board of directors of Crescita authorized to administer the Crescita Incentive Plan in accordance with its terms;

(o) "**Crescita Employment Contract**" means any contract between Crescita or any Crescita Designated Affiliate and any Arrangement Participant relating to, or entered into in connection with, the employment of the Arrangement Participant, the appointment or election of the Arrangement Participant or the engagement of the Arrangement Participant or any other agreement to which Crescita or a Crescita Designated Affiliate is a party with respect to the rights of such Arrangement Participant in respect of the termination of employment, appointment, election or engagement of such Arrangement Participant, provided that such contract or agreement is substantially the same as a contract or agreement between such Arrangement Participant and the Corporation or a Designated Affiliate as it existed immediately prior to the Effective Time;

(p) "**Crescita Incentive Plan**" has the meaning ascribed thereto in the Plan of Arrangement;

(q) "**Designated Affiliate**" means the affiliates of the Corporation designated by the Committee for purposes of the Plan from time to time;

(r) "**Directors**" means the board of directors of the Corporation from time to time;

(s) "**Eligible Directors**" means the Directors or the directors of any Designated Affiliate from time to time;

(t) "**Eligible Employees**" means employees and officers, whether Directors or not, and including both full-time and part-time employees, of the Corporation or any Designated Affiliate of the Corporation, and includes a personal registered retirement savings plan of an Eligible Employee and a personal holding company controlled by an Eligible Employee;

(u) "**Employment Contract**" means any contract between the Corporation or any Designated Affiliate and any Eligible Employee, Eligible Director or Other Participant relating to, or entered into in connection with, the employment of the Eligible Employee, the appointment or election of the Eligible Director or the engagement of the Other Participant or any other agreement to which the Corporation or a Designated Affiliate is a party with respect to the rights of such Participant in respect of a change in control of the Corporation or the termination of employment, appointment, election or engagement of such Participant;

(v) "**Holding Period**" means a period of 12 months or such longer period as may be required by law or the Stock Exchange or any regulatory authority having jurisdiction over the securities of the Corporation;

(w) "**Issue Price**" means, for the purposes of Section 3.06, the weighted average price of the Common Shares on the Stock Exchange for the calendar quarter in respect of which Common Shares are being issued under the Share Purchase Plan and for the purposes of Section 3.11, the weighted average price of the Common Shares on the Stock Exchange for the three month period ending immediately preceding the month in which Common Shares are being issued under the Share Purchase Plan;

(x) "**Option**" means an option to purchase Common Shares granted pursuant to, or governed by, the Plan;

(y) "**Optionee**" means a Participant to whom an Option has been granted pursuant to the Share Option Plan;

(z) "**Option Period**" means the period of time during which the particular Option may be exercised;

(aa) "**Other Participant**" means any person or corporation engaged to provide ongoing management or consulting services for the Corporation or a Designated Affiliate, or any employee of such person or corporation, other than an Eligible Director or an Eligible Employee;

(bb) "**Outstanding Options**" means Options outstanding immediately prior to the Arrangement Time and which, as part of the Plan of Arrangement, were exchanged for Arrangement Options and cancelled;

(cc) "**Participant**" with respect to the Share Purchase Plan means each Eligible Employee and Other Participant and with respect to the Share Option Plan and Share Bonus Plan means each Eligible Director, Eligible Employee and Other Participant;

(dd) "**Participant's Contribution**" means the amount a Participant elects to contribute to the Share Purchase Plan under Section 3.03(a) or Section 3.03(b) of the Plan;

(ee) "**Plan**" means this third amended and restated share incentive plan which includes the Share Purchase Plan, the Share Option Plan and the Share Bonus Plan;

(ff) "**Plan of Arrangement**" means the plan of arrangement proposed under Section 182 of the Act, a copy of which is attached as Schedule A to this Plan;

(gg) "**Share Bonus Plan**" means the share bonus plan described in Article Five hereof;

(hh) "**Share Option Plan**" means the share option plan described in Article Four hereof;

(ii) "**Share Purchase Plan**" means the share purchase plan described in Article Three hereof; and

(jj) "**Stock Exchange**" means The Toronto Stock Exchange, or if the Common Shares are not listed on The Toronto Stock Exchange, such other principal market upon which the Common Shares are traded as designated by the Committee from time to time.

Section 1.02 Securities Definitions:

In the Plan, the terms "affiliate", "associate", "insider" and "subsidiary" shall have the meaning given to such terms in the *Securities Act* (Ontario).

Section 1.03 Headings:

The headings of all articles, sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.

Section 1.04 Context, Construction:

Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

Section 1.05 References to this Plan:

The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to the Plan as a whole and not to any particular article, section, paragraph or other part hereof.

Section 1.06 Canadian Funds:

Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada.

ARTICLE TWO
PURPOSE AND ADMINISTRATION OF THE PLAN

Section 2.01 Purpose of the Plan:

The Plan provides for the acquisition of Common Shares by Participants for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of key employees and directors of the Corporation and the Designated Affiliates of the Corporation and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the ownership of Common Shares by key employees and directors of the Corporation and Designated Affiliates of the Corporation, it being generally recognized that share incentive plans aid in attracting, retaining and encouraging employees and directors due to the opportunity offered to them to acquire a proprietary interest in the Corporation.

Section 2.02 Administration of the Plan:

The Plan shall be administered by the Committee and the Committee shall have full authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary or desirable in order to comply with the requirements of the Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to

any such action taken or determination or interpretation made. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary or desirable for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the Plan shall be for the account of the Corporation.

Section 2.03 Delegation to Committee:

All of the powers exercisable hereunder by the Directors may, to the extent permitted by applicable law and as determined by resolution of the Directors, be exercised by a committee of the Directors comprised of not less than three Directors, including any compensation committee of the Directors.

Section 2.04 Record Keeping:

The Corporation shall maintain a register in which shall be recorded:

(a) the name and address of each Optionee;

(b) the number of Common Shares subject to Options granted to each Optionee;

(c) the aggregate number of Common Shares subject to Options;

(d) the name and address of each Participant in the Share Purchase Plan;

(e) the Participants' Contributions and the Corporation's Contributions in respect of each Participant; and

(f) the number of Common Shares held in safekeeping for the account of a Participant.

Section 2.05 Determination of Participants:

The Committee shall from time to time determine the Participants who may participate in the Share Purchase Plan, the Share Option Plan and the Share Bonus Plan. The Committee shall from time to time determine the number of Common Shares to be issued to any Participant under the Share Bonus Plan, the Participants to whom Options shall be granted, the number of Common Shares to be made subject to and the expiry date of each Option granted to each Participant and the other terms of each Option granted to each Participant, all such determinations to be made in accordance with the terms and conditions of the Plan, and the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Corporation and any other factors which the Committee deems appropriate and relevant.

Section 2.06 Maximum Number of Shares:

(a) Share Purchase Plan: The maximum number of Common Shares made available for, and reserved for issuance under, the Share Purchase Plan shall be determined from time to time by the Committee but, in any case, shall not exceed 3% of the total number of Common Shares then outstanding.

(b) Share Option Plan: The maximum number of Common Shares made available for, and reserved for issuance under, the Share Option Plan shall be determined from time to time by the Committee but, in any case, shall not exceed 10% of the total number of Common Shares then outstanding. The aggregate number of Common Shares reserved for issuance to any one person upon the exercise of Options (including Common Shares under option pursuant to predecessor share incentive plans of the Corporation) shall not exceed 5% of the total number of Common Shares then outstanding. For certainty, to the extent Options have been exercised, new Options may be granted in respect thereof.

(c) Share Bonus Plan: The maximum number of Common Shares made available for, and reserved for issuance under, the Share Bonus Plan shall be determined from time to time by the Committee but, in any case, shall not exceed 2% of the total number of Common Shares then outstanding.

In the event that the Corporation purchases Common Shares for cancellation or any conversion, exchange or purchase rights for Common Shares attached to any securities of the Corporation expire or otherwise are extinguished, the Corporation shall be deemed to be in compliance with the foregoing maximum limits, if immediately prior to such purchase, expiration or other extinguishment, the Corporation was in compliance with such limit.

ARTICLE THREE
SHARE PURCHASE PLAN

Section 3.01 The Share Purchase Plan:

A Share Purchase Plan is hereby established for Eligible Employees and Other Participants.

Section 3.02 Participants:

Participants entitled to participate in the Share Purchase Plan shall be Eligible Employees or Other Participants who have been providing services to the Corporation or any Designated Affiliates for at least 12 consecutive months. The Committee, shall have the right, in its absolute discretion, to waive such 12 month period or to determine that the Share Purchase Plan does not apply to any Eligible Employee or Other Participant.

Section 3.03 Election to Participate in Share Purchase Plan and Participant's Contribution:

(a) Any Participant may elect to contribute money to the Share Purchase Plan in any calendar year if the Participant, prior to the end of the immediately preceding calendar year, delivers to the Corporation a written direction in form and substance satisfactory to the Corporation authorizing the Corporation to deduct from the remuneration of the Participant the Participant's Contribution in equal instalments.

(b) If, on December 31 of any year, a Participant has not been continuously providing service to the Corporation or any of its Designated Affiliates for at least 12 consecutive months (unless such 12-month requirement is waived by the Committee), then, in the calendar quarter during which such Participant reaches six consecutive months of service, such Participant may elect to make a Participant's Contribution with respect to the balance of that calendar year, commencing at the beginning of the next calendar quarter, by delivering to the Corporation the written direction referred to above.

(c) The Participant's Contribution shall not exceed 10% (unless changed by the Committee), before deductions, of the Participant's Basic Annual Salary; provided that, in the event of any employee electing to make a Participant's Contribution for less than a full year in accordance with paragraph (b) above, his or her Basic Annual Salary shall be pro-rated for the balance of that calendar year.

(d) No adjustment shall be made to the Participant's Contribution until the next succeeding calendar year, and then only if a new written direction shall have been delivered to the Corporation for such calendar year. The Participant's Contribution shall be held by the Corporation in trust for the purposes of the Share Purchase Plan.

Section 3.04 Corporation's Contribution:

Immediately prior to the date any Common Shares are issued to a Participant in accordance with Section 3.06, the Corporation will credit the Participant with and thereafter hold in trust for the Participant an amount equal to the Participant's Contribution then held in trust by the Corporation.

Section 3.05 Aggregate Contribution:

The Corporation shall not be required to segregate the Aggregate Contribution from its own corporate funds or to pay interest thereon.

Section 3.06 Issue of Shares:

(a) As soon as practicable following March 31, June 30, September 30 and December 31 in each calendar year the Corporation shall issue for the account of each Participant fully paid and non-assessable Common Shares equal in value to the Aggregate Contribution held in trust as of such date by the Corporation converted into Common Shares at the applicable Issue Price. If such conversion would otherwise result in the issue for the account of a Participant of a fraction of a Common Share, the Corporation will issue only such whole Common Shares as are issuable.

(b) The Corporation shall hold any unused balance of the Aggregate Contribution in trust for a Participant until used in accordance with the Share Purchase Plan.

Section 3.07 Safekeeping and Delivery of Shares:

(a) All Common Shares issued for the account of a Participant in accordance with Section 3.06 will be held in safekeeping by the Corporation and will be delivered, subject as provided in the Share Purchase Plan, to such Participant upon the expiry of the Holding Period from the date of issue of such Common Shares. If the Corporation receives, on behalf of a Participant in respect of any Common Shares so held:

(i) cash dividends;

(ii) options or rights to purchase additional securities of the Corporation or any other corporation;

(iii) any notice of meeting, proxy statement and proxy for any meeting of holders of Common Shares of the Corporation; or

(iv) other or additional Common Shares or other securities (by way of dividend or otherwise);

then the Corporation shall forward to such Participant, at his or her last address according to the register maintained under Section 2.04, any of the items listed in Section 3.07(a)(i), (ii) and (iii); and shall hold in safekeeping any additional securities referred to in Section 3.07(a)(iv) and shall deliver such securities to the Participant with delivery of the Common Shares in respect of which such additional securities were issued.

(b) Any Common Shares held for the account of an Eligible Employee in safekeeping by the Corporation will be distributed to an Eligible Employee or the estate of the Eligible Employee, prior to the expiry of the applicable Holding Period only upon:

(i) the date of the commencement of the Eligible Employee's retirement in accordance with the Corporation's normal retirement policy;

(ii) the date of the commencement of the total disability of the Eligible Employee determined in accordance with the Corporation's normal disability policy; or

(iii) the date of death of the Eligible Employee.

(c) Any Common Shares held for the account of an Other Participant in safekeeping by the Corporation will be distributed to the Other Participant or the estate of the Other Participant, prior to the expiry of the applicable Holding Period only upon:

(i) the date of the commencement of the Other Participant's retirement in accordance with the Corporation's normal retirement policy, or in the case of an Other Participant that is not an individual, the date of the commencement of the retirement of the primary individual providing services to the Corporation on behalf of the Other Participant;

(ii) the date of the commencement of the total disability of the Other Participant, or in the case of an Other Participant that is not an individual, the date of the commencement of the total disability of the primary individual providing the services to the Corporation or Designated Affiliate on behalf of the Other Participant, determined in accordance with the Corporation's normal disability policy; or

(iii) the date of death of the Other Participant or, in the case of an Other Participant that is not an individual, the date of death of the primary individual providing the services to the Corporation or Designated Affiliate on behalf of the Other Participant.

(d) If there is a take-over bid (within the meaning of the *Securities Act* (Ontario)) made for all or a portion of the issued and outstanding Common Shares, then the Committee may, by resolution, make any Common Shares held in trust for a Participant immediately deliverable in order to permit such shares to be tendered to such bid. In addition the Committee may, by resolution, permit the Corporation's Contribution to be made and Common Shares issued for the then Aggregate Contribution prior to expiry of any such take-over bid in order to permit such shares to be tendered to such bid.

Section 3.08 Termination of Employment:

If a Participant shall cease to be employed by, or provide services to, the Corporation or any of its Designated Affiliates for any reason or shall receive notice from the Corporation of the termination of his or her contract of service or employment:

(a) the Participant shall automatically cease to be entitled to participate in the Share Purchase Plan;

(b) any portion of the Participant's Contribution then held in trust for the Participant shall be paid to the Participant or the estate of the Participant;

(c) any portion of the Corporation's Contribution then held in trust for the Participant shall be paid to the Corporation; and

(d) any Common Shares then held in safekeeping for a Participant shall, subject to Section 3.07 in the case of retirement, disability or death, and subject to the provisions of the Act, remain in safekeeping until the expiry of the Hold Period.

Section 3.09 Election to Withdraw from Share Purchase Plan:

Any Participant may at any time elect to withdraw from the Share Purchase Plan. In order to withdraw the Participant must give at least two weeks' notice to the Corporation in writing in form and substance satisfactory to the Corporation directing the Corporation to cease deducting from the Participant's remuneration the Participant's Contribution. Deductions will cease to be made commencing with the first pay date following expiry of the two week notice. The Participant's Contribution will continue to be held in trust. On the next following date for making the Corporation's Contribution the Corporation will credit the Participant with the pro rata amount of the Corporation's Contribution, calculated in accordance with Section 3.04. The issuance and delivery of Common Shares will not be accelerated by such withdrawal but will occur on the date on which such Common Shares would otherwise have been issued in accordance with Section 3.06 and delivered to the Participant in accordance with Section 3.07 had the Participant not elected to withdraw from the Share Purchase Plan.

Section 3.10 Necessary Approvals:

The obligation of the Corporation to issue and deliver any Common Shares in accordance with the Share Purchase Plan shall be subject to any necessary approval of any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation. If any Common Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate and any Participant's Contribution held in trust for a Participant shall be returned to the Participant without interest.

Section 3.11 Alternative Purchase:

In lieu of making Participants' Contributions pursuant to Section 3.03(a) and Section 3.03(b), the Directors may authorize an alternative form of Participant's Contribution each year, and upon such authorization, all Participants may make a Participant's Contribution on or before December 31 of such year, based on the Participant's Basic Annual Salary for the preceding calendar year and in accordance with Section 3.03(c), and the Corporation shall contribute and credit the Participant with an amount equal to the Participant's Contribution. As soon as practicable following December 31 in each calendar year, and upon receipt of a written undertaking from the Participant to hold such Common Shares until the expiry of the Holding Period the Corporation shall issue and immediately deliver to each Participant or the trustee of the Participant's self directed registered retirement savings plan fully paid and non-assessable Common Shares equal in value to the Aggregate Contribution converted into Common Shares at the applicable Issue Price. If such conversion would otherwise result in the issue for the account of a Participant of a fraction of a Common Share, the Corporation will issue only such whole Common Shares as are issuable. The Corporation shall hold any unused balance of the Aggregate Contribution in trust for a Participant until used in accordance with the Share Purchase Plan. The Directors may in their sole discretion amend the Plan to delete this Section 3.11 and make amendments to the corresponding provisions of the Plan at any time without the approval of the shareholders of the Corporation.

ARTICLE FOUR
SHARE OPTION PLAN

Section 4.01 The Share Option Plan and Participants:

A Share Option Plan is hereby established for Eligible Directors, Eligible Employees and Other Participants.

Section 4.02 Option Agreement:

Each Option granted to a Participant shall be evidenced by a stock option agreement setting out the terms and conditions consistent with the provisions of the Plan, which terms and conditions need not be the same in each case and which terms and conditions may be changed from time to time.

Section 4.03 Exercise Price:

Subject to Section 4.13(b), the price per share at which any Common Share which is the subject of an Option may be purchased shall be determined by the Committee at the time the Option is granted, provided that such price shall not be less than the closing price of the Common Shares on the Stock Exchange on the last trading day immediately preceding the date of grant of such Option.

Section 4.04 Term of Option:

The Option Period for each Option shall be such period of time as shall be determined by the Committee, subject to any Employment Contract, provided that no Option Period shall exceed 10 years.

Section 4.05 Lapsed Options:

If Options granted under the Share Option Plan are surrendered, terminate or expire without being exercised in whole or in part, new Options may be granted covering the Common Shares not purchased under such lapsed Options.

Section 4.06 Limit on Options to be Exercised:

Except as otherwise specifically provided in any Employment Contract, in Section 4.10 of the Plan, or by resolution of the Directors or the Committee, Options may be exercised (in each case to the nearest full share) during the Option Period as follows:

(a) At any time during the Option Period after the end of the first year thereof, the Participant may purchase up to one third of the aggregate number of Common Shares subject to such Option;

(b) At any time during the Option Period after the end of the second year thereof, the Participant may purchase an additional one third of the aggregate number of Common Shares subject to such Option plus any Common Shares not purchased in accordance with paragraph (a) above; and

(c) At any time during the Option Period after the expiration of the third year thereof, the Participant may purchase any Common Shares subject to such Option not purchased in accordance with paragraphs (a) and (b) above.

The Directors or the Committee may, at any time, waive the foregoing vesting requirements.

Section 4.07 Eligible Participants on Exercise:

Subject to Section 4.06, an Option may be exercised by the Optionee in whole at any time, or in part from time to time, during the Option Period, provided however that, except as otherwise specifically provided in Section 4.10 or Section 4.11 hereof or in any Employment Contract or any resolution of the Directors or the Committee, no Option may be exercised unless the Optionee at the time of exercise thereof is:

(a) in the case of an Eligible Employee, an officer of the Corporation or a Designated Affiliate or in the employment of the Corporation or a Designated Affiliate and has been continuously an officer or so employed since the date of grant of such Option, provided however that a leave of absence with the approval of the Corporation or such Designated Affiliate shall not be considered an interruption of employment for purposes of the Plan;

(b) in the case of an Eligible Director who is not also an Eligible Employee, a director of the Corporation or a Designated Affiliate and has been such a director continuously since the date of grant of such Option; and

(c) in the case of an Other Participant, engaged, directly or indirectly, in providing ongoing management or consulting services for the Corporation or a Designated Affiliate and has been so engaged since the date of the grant of such Option.

Section 4.08 Payment of Exercise Price:

The issue of Common Shares on exercise of any Option shall be contingent upon receipt by the Corporation of payment of the aggregate purchase price for the Common Shares in respect of which the Option has been exercised by cash or certified cheque delivered to the registered office together with a validly completed notice of exercise. No Optionee or legal representative, legatee or distributee of any Optionee will be, or will be deemed to be, a holder of any Common Shares with respect to which such Optionee was granted an Option, unless and until certificates for such Common Shares are issued to such Optionee, or them, under the terms of the Plan. Upon an Optionee exercising an Option and paying the Corporation the aggregate purchase price for the Common Shares in respect of which the Option has been exercised, the Corporation shall as soon as practicable issue and deliver a certificate representing the Common Shares so purchased.

Section 4.09 Acceleration on Take-over Bid:

If there is a take-over bid (within the meaning of the *Securities Act* (Ontario)) made for all or any of the issued and outstanding Common Shares, then the Committee may, by resolution, permit all Options outstanding to become immediately exercisable, notwithstanding Section 4.06 hereof, in order to permit Common Shares issuable under such Options to be tendered to such bid.

Section 4.10 Effect of Death:

If a Participant or, in the case of an Other Participant which is not an individual, the primary individual providing services to the Corporation or Designated Affiliate on behalf of the Other Participant, shall die, any Option held by such Participant or Other Participant at the date of such death shall become immediately exercisable notwithstanding Section 4.06 hereof, and shall be exercisable in whole or in part only by the person or persons to whom the rights of the Optionee under the Option shall pass by the will of the Optionee or the laws of descent and distribution for a period of nine months (or such other period of time as is otherwise provided in an Employment Contract) after the date of death of the Optionee or prior to the expiration of the Option Period in respect of the Option, whichever is sooner, and then only to the extent that such Optionee was entitled to exercise the Option at the date of death of such Optionee.

Section 4.11 Effect of Termination of Employment:

If a Participant shall:

(a) cease to be a director of the Corporation and any of its Designated Affiliates (and is not or does not continue to be an employee thereof) for any reason (other than death); or

(b) cease to be employed by, or provide services to, the Corporation or any of its Designated Affiliates (and is not or does not continue to be a director or officer thereof), or any corporation engaged to provide services to the Corporation or the Designated Affiliates, for any reason (other than death) or shall receive notice from the Corporation or any of its Designated Affiliates of the termination of their Employment Contract;

(collectively a "**Termination**"), except as otherwise provided in any Employment Contract or any resolution of the Directors or the Committee, such Participant may, but only within 60 days next succeeding such Termination, exercise their Options to the extent that such Participant was entitled to exercise such options at the date of such Termination, provided that notwithstanding the foregoing or any Employment Contract, in no event shall such right extend beyond the Option Period. This Section 4.11 is subject to any Employment Contract or any other agreement to which the Corporation or its Designated Affiliates is a party with respect to the rights of such Participant upon Termination or change in control of the Corporation.

Section 4.12 Necessary Approvals:

The obligation of the Corporation to issue and deliver any Common Shares in accordance with the Share Option Plan shall be subject to any necessary approval of any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation. If any Common Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate and any Option exercise price paid to the Corporation shall be returned to the Participant.

Section 4.13 Plan of Arrangement.

(a) For all purposes under the Share Option Plan, Arrangement Options shall be deemed to be a continuation of the Outstanding Options for which they are exchanged as part of the Plan of Arrangement, and the grant of Arrangement Options shall not be treated as a new grant of Options. Accordingly, the date on which an Arrangement Option is granted for purposes of the Share Option Plan shall be deemed to be the date of the

grant of the Outstanding Option for which such Arrangement Option was exchanged as part of the Plan of Arrangement.

(b) The price per share at which any Common Share which is the subject of an Arrangement Option may be purchased shall be an amount equal to the original exercise price of the Option for which such Arrangement Option was exchanged as part of the Plan of Arrangement less the Butterfly Proportion (as such term is defined in the Plan of Arrangement) of such original exercise price.

(c) Notwithstanding anything contained herein to the contrary, each person that holds an Outstanding Option immediately prior to the Arrangement Time and that, due to or in connection with the Arrangement, becomes a director, officer or employee of Crescita or any Crescita Designated Affiliate, or provides ongoing management or consulting services for Crescita or any Crescita Designated Affiliate (a "**Crescita Consultant**") or becomes an employee of a Crescita Consultant (each such director, officer, employee, Crescita Consultant or employee of a Crescita Consultant, an "**Arrangement Participant**"), shall be permitted, for so long as such Arrangement Participant remains a director, officer or employee of Crescita or any Crescita Designated Affiliate, or a Crescita Consultant or employee of a Crescita Consultant, as applicable, to hold and exercise his or her Arrangement Options in accordance with their terms and the terms of this Plan as though such Arrangement Participant is an Eligible Director, Eligible Employee or Other Participant, as applicable, and, for greater certainty, any reference to an "Employment Contract" in this Plan shall be deemed to include any Crescita Employment Contract applicable to such Arrangement Participant. Upon any Arrangement Participant ceasing to be a director, officer or employee of Crescita or its Crescita Designated Affiliates, or a Crescita Consultant or employee of a Crescita Consultant, as applicable, provided that at such time such Arrangement Participant is not, or does not concurrently become, an Eligible Director, Eligible Officer or Other Participant, such Arrangement Participant shall be treated for the purposes of the Share Option Plan as having ceased to be so employed with or engaged by the Corporation and its Designated Affiliates and such Arrangement Participant's Arrangement Options shall be dealt with in accordance with Section 4.11 of the Plan.

ARTICLE FIVE
SHARE BONUS PLAN

Section 5.01 The Share Bonus Plan:

A Share Bonus Plan is hereby established for Eligible Directors and Eligible Employees and Other Participants.

Section 5.02 Participants:

The Committee shall have the right to determine, in its sole and absolute discretion, to issue for no cash consideration to any Participant any number of Common Shares as a discretionary bonus subject to such provisions and restrictions (including such vesting provisions) as the Committee may determine.

Section 5.03 Necessary Approvals:

The obligation of the Corporation to issue and deliver any Common Shares in accordance with the Share Bonus Plan shall be subject to any necessary approvals of any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation. If any Common Shares cannot be issued to any Participant under the Share Bonus Plan for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate.

ARTICLE SIX
WITHHOLDING TAXES AND SECURITIES LAWS OF THE UNITED STATES OF AMERICA

Section 6.01 Withholding Taxes:

The Corporation or any Designated Affiliate of the Corporation may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Corporation or any Designated Affiliate of the Corporation is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Option or Common Share including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Common Shares to be issued upon the exercise of any Option, until such time as the Participant has paid the Corporation or any Designated Affiliate of the Corporation for any amount which the Corporation or Designated Affiliate of the Corporation is required to withhold with respect to such taxes.

Section 6.02 Securities Laws of the United States of America:

Neither the Options which may be granted pursuant to the provisions of the Share Option Plan nor the Common Shares which may be acquired pursuant to the exercise of Options or participation in the Share Purchase Plan or Share Bonus Plan have been registered under the United States Securities Act of 1933, as amended (the "**U.S. Act**"), or under any securities law of any state of the United States of America. Accordingly, any Participant who is issued Common Shares or granted an Option in a transaction which is subject to the U.S. Act or the securities laws of any state of the United States of America may be required to represent, warrant, acknowledge and agree that:

(a) the Participant is acquiring the Option and/or any Common Shares as principal and for the account of the Participant;

(b) in granting the Option and/or issuing the Common Shares to the Participant, the Corporation is relying on the representations and warranties of the Participant to support the conclusion of the Corporation that the granting of the Option and/or the issue of Common Shares do not require registration under the U.S. Act or have to be qualified under the securities laws of any state of the United States of America;

(c) each certificate representing Common Shares issued may be required to have the following legends:

"THE COMMON SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), AND MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (C) WITH THE PRIOR WRITTEN CONSENT OF THE CORPORATION, PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS."

"THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT GOOD DELIVERY OF THE COMMON SHARES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE. A CERTIFICATE WITHOUT A LEGEND MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT FOR THE COMMON SHARES OF THE CORPORATION IN CONNECTION WITH A SALE OF THE COMMON SHARES REPRESENTED HEREBY UPON DELIVERY OF THIS CERTIFICATE AND AN EXECUTED DECLARATION BY THE SELLER, IN A FORM SATISFACTORY TO THE REGISTRAR AND TRANSFER AGENT AND THE CORPORATION, TO THE EFFECT THAT SUCH SALE IS BEING MADE IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT.";

provided that if such Common Shares are being sold outside the United States of America in compliance with the requirements of Rule 904 of Regulation S under the U.S. Act the foregoing legends may be removed by providing a written declaration by the holder to the registrar and transfer agent for the Common Shares to the following effect:

"The undersigned (a) represents and warrants that the sale of the securities of Nuvo Pharmaceuticals Inc. (the "**Corporation**") to which this declaration relates is being made in compliance with Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (b) certifies that (1) the undersigned is not an affiliate of the Corporation as that term is defined in the U.S. Securities Act, (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the undersigned and any person acting on behalf of the undersigned reasonably believe that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of The Toronto Stock Exchange and neither the undersigned nor any person acting on behalf of the undersigned knows that the transaction has been prearranged with a buyer in the United States, and (3) neither the undersigned nor any affiliate of the undersigned nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.";

(d) other than as contemplated by paragraph (c) above, prior to making any disposition of any Common Shares acquired pursuant to the Plan which might be subject to the requirements of the U.S. Act, the Participant shall give written notice to the Corporation describing the manner of the proposed disposition and containing such other information as is necessary to enable counsel for the Corporation to determine whether registration under the U.S. Act or qualification under any securities laws of any state of the United States of America is required in connection with the proposed disposition and whether the proposed disposition is otherwise in compliance with such legislation and the regulations thereto;

(e) other than as contemplated by paragraph (c) above, the Participant will not attempt to effect any disposition of the Common Shares owned by the Participant and acquired pursuant to the Plan or of any interest therein which might be subject to the requirements of the U.S. Act in the absence of an effective registration statement relating thereto under the U.S. Act or an opinion of counsel satisfactory in form and substance to counsel for the Corporation that such disposition would not constitute a violation of the U.S. Act and then will only dispose of such Common Shares in the manner so proposed;

(f) the Corporation may place a notation on the records of the Corporation to the effect that none of the Common Shares acquired by the Participant pursuant to the Plan shall be transferred unless the provisions of the Plan have been complied with; and

(g) the effect of these restrictions on the disposition of the Common Shares acquired by the Participant pursuant to the Plan is such that the Participant may not be able to sell or otherwise dispose of such Common Shares for a considerable length of time in a transaction which is subject to the provisions of the U.S. Act other than as contemplated by paragraph (c) above.

ARTICLE SEVEN
GENERAL

Section 7.01 Effective Time of Plan:

This Plan shall become effective on the Arrangement Date at the time specified in the Plan of Arrangement. Upon the effective time of the Plan, all predecessor share incentive plans of the Corporation shall terminate and become inoperative.

Section 7.02 Amendment of Plan:

The Committee may from time to time in the absolute discretion of the Committee amend, modify and change the provisions of the Plan or any Options granted pursuant to the Plan, without shareholder approval, provided that any amendment, modification or change to the provisions of the Plan or any Options granted pursuant to the Plan which would:

(a) materially increase the benefits under the Plan or any Options granted pursuant to the Plan;

(b) increase the number of Common Shares, other than by virtue of Section 7.06 and Section 7.07 of the Plan, which may be issued pursuant to the Plan; or

(c) materially modify the requirements as to eligibility for participation in the Plan;

shall only be effective upon such amendment, modification or change being approved by the shareholders of the Corporation if required by the Stock Exchange and any other regulatory authority having jurisdiction over the securities of the Corporation. Any amendment, modification or change of any provision of the Plan or any Options granted pursuant to the Plan shall be subject to approval, if required, by any regulatory authority having jurisdiction over the securities of the Corporation.

Section 7.03 Non-Assignable:

No rights under the Plan and no Option awarded pursuant to the provisions of the Plan are assignable or transferable by any Participant other than pursuant to a will or by the laws of descent and distribution.

Section 7.04 Rights as a Shareholder:

No Optionee shall have any rights as a shareholder of the Corporation with respect to any Common Shares which are the subject of an Option. No Optionee shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or other rights declared for shareholders of the Corporation for which the record date is prior to the date issue of certificates representing Common Shares.

Section 7.05 No Contract of Employment:

Nothing contained in the Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Corporation or any Designated Affiliate nor interfere or be deemed to interfere in any way with any right of the Corporation or any Designated Affiliate to discharge any Participant at any time for any reason whatsoever, with or without cause. Participation in any of the Plans by a Participant shall be voluntary.

Section 7.06 Consolidation, Merger, etc.:

If there is a consolidation, merger or statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities or a transfer of all or substantially all of the assets of the Corporation to another entity:

(a) each Participant for whom Common Shares are held in safekeeping under the Share Purchase Plan shall receive on the date that Common Shares would otherwise be delivered to the Participant the securities, property or cash to which the Participant would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the Participant had held the Common Shares immediately prior to such event; and

(b) upon the exercise of an Option under the Share Option Plan, the holder thereof shall be entitled to receive the securities, property or cash which the holder would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the holder had exercised the Option immediately prior to the effective time of such event, unless the directors of the Corporation otherwise determine the basis upon which such Option shall be exercisable.

Section 7.07 Adjustment in Number of Shares Subject to the Plan:

In the event there is any change in the Common Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in:

(a) the number of Common Shares available under the Plan;

(b) the number of Common Shares subject to any Option; and

(c) the exercise price of the Common Shares subject to Options.

If the foregoing adjustment shall result in a fractional Common Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of the Plan.

Section 7.08 Securities Exchange Take-over Bid:

In the event that the Corporation becomes the subject of a take-over bid (within the meaning of the *Securities Act* (Ontario)) pursuant to which 100% of the issued and outstanding Common Shares are acquired by the offeror either directly or as a result of the compulsory acquisition provisions of the incorporating statute, and where consideration is paid in whole or in part in equity securities of the offeror, the Committee may send notice to all Optionees requiring them to surrender their Options within 10 days of the mailing of such notice, and the Optionees shall be deemed to have surrendered such Options on the tenth day after the mailing of such notice without further formality, provided that:

(a) the offeror delivers with such notice an irrevocable and unconditional offer to grant replacement options to the Optionees on the equity securities offered as consideration;

(b) the Committee has determined, in good faith, that such replacement options have substantially the same economic value as the Options being surrendered; and

(c) the surrender of Options and the granting of replacement options can be effected on a tax free rollover basis under the *Income Tax Act* (Canada).

Section 7.09 No Representation or Warranty:

The Corporation makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of the Plans.

Section 7.10 Participation through RRSP's and Holding Companies:

Subject to the approval of the Committee, an Eligible Employee or Eligible Director may elect, at the time rights or Options are granted under the Plan, to participate in the Plan by holding any rights or Options granted under the Plan in a registered retirement savings plan established by such Eligible Employee or Eligible Director for the sole benefit of such Eligible Employee or Eligible Director or in a personal holding corporation controlled by such Eligible Employee or Eligible Director. For the purposes of this Section 7.10, a personal holding corporation shall be deemed to be controlled by an Eligible Employee or Eligible Director if (i) voting securities carrying more than 50% of the votes for the election of directors of such corporation are held, otherwise than by way of security only, by or for the benefit of such Eligible Employee or Eligible Director and the votes carried by such voting securities are entitled, if exercised, to elect a majority of the board of directors of such corporation, and (ii) all of the voting and equity securities of such corporation are directly or indirectly held, otherwise than by way of security only, by or for the benefit of such Eligible Employee or Eligible Director and/or his or her spouse, children or grandchildren. In the event that an Eligible Employee or Eligible Director elects to hold the rights or Options granted under the Plan in a registered retirement savings plan or personal holding corporation, the provisions of the Plan shall continue to apply as if the Eligible Employee or Eligible Director held such rights or Options directly.

Section 7.11 Compliance with Applicable Law:

If any provision of the Plan or any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

Section 7.12 Interpretation:

This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario.

SCHEDULE A

PLAN OF ARRANGEMENT

[See above.]

EXHIBIT III

Crescita Incentive Plan

CRESCITA THERAPEUTICS INC.

SHARE INCENTIVE PLAN

ARTICLE ONE
DEFINITIONS AND INTERPRETATION

1.01 Definitions:

For purposes of the Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

(a) "**Act**" means the *Business Corporations Act* (Ontario) or its successor, as amended from time to time;

(b) "**Aggregate Contribution**" means the aggregate of a Participant's Contribution and the related Corporation's Contribution;

(c) "**Arrangement Date**" has the meaning given to it in the Plan of Arrangement;

(d) "**Arrangement Options**" means Options issued as part of the Plan of Arrangement in partial exchange for Outstanding Nuvo Options;

(e) "**Arrangement Participant**" has the meaning given to it in Section 4.13(c);

(f) "**Arrangement Time**" has the meaning given to it in the Plan of Arrangement;

(g) "**Basic Annual Salary**" means the basic annual remuneration of a Participant from the Corporation and its Designated Affiliates exclusive of any overtime pay, bonuses or allowances of any kind whatsoever;

(h) "**Committee**" means the Directors or, if the Directors so determine in accordance with Section 2.03 of the Plan, the committee of the Directors authorized to administer the Plan;

(i) "**Common Shares**" means the common shares of the Corporation, as adjusted in accordance with the provisions of Article Seven of the Plan;

(j) "**Corporation**" means 2487001 Ontario Limited, a corporation incorporated under the Act, and its successors;

(k) "**Corporation's Contribution**" means the amount the Corporation credits a Participant under Section 3.04 or Section 3.11;

(l) "**Crescita**" means, prior to the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Plan of Arrangement, 2487001 Ontario Limited, a corporation incorporated under the Act, and from and after the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Arrangement, Crescita Therapeutics Inc., the corporation under the Act formed by the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Plan of Arrangement, and its successors;

(m) "**Crescita Common Shares**" means the common shares of Crescita, as adjusted in accordance with the provisions of Article Seven of the Plan;

(n) "**Designated Affiliate**" means the affiliates of the Corporation designated by the Committee for purposes of the Plan from time to time;

(o) "**Directors**" means the board of directors of the Corporation from time to time;

(p) "**Eligible Directors**" means the Directors or the directors of any Designated Affiliate from time to time;

(q) "**Eligible Employees**" means employees and officers, whether Directors or not, and including both full-time and part-time employees, of the Corporation or any Designated Affiliate of the Corporation, and includes a personal registered retirement savings plan of an Eligible Employee and a personal holding company controlled by an Eligible Employee;

(r) "**Employment Contract**" means any contract between the Corporation or any Designated Affiliate and any Eligible Employee, Eligible Director or Other Participant relating to, or entered into in connection with, the employment of the Eligible Employee, the appointment or election of the Eligible Director or the engagement of the Other Participant or any other agreement to which the Corporation or a Designated Affiliate is a party with respect to the rights of such Participant in respect of a change in control of the Corporation or the termination of employment, appointment, election or engagement of such Participant;

(s) "**Holding Period**" means a period of 12 months or such longer period as may be required by law or the Stock Exchange or any regulatory authority having jurisdiction over the securities of the Corporation;

(t) "**Issue Price**" means, for the purposes of Section 3.06, the weighted average price of the Common Shares on the Stock Exchange for the calendar quarter in respect of which Common Shares are being issued under the Share Purchase Plan and for the purposes of Section 3.11, the weighted average price of the Common Shares on the Stock Exchange for the three month period ending immediately preceding the month in which Common Shares are being issued under the Share Purchase Plan;

(u) "**Nuvo**" means Nuvo Research Inc., a corporation formed under the Act, which, pursuant to the Plan of Arrangement, will change its name from "Nuvo Research Inc." to "Nuvo Pharmaceuticals Inc.", and its successors;

(v) "**Nuvo Consultant**" has the meaning given to it in Section 4.13(c);

(w) "**Nuvo Designated Affiliate**" means the affiliates of Nuvo designated by the board of directors of Nuvo or the committee of the board of directors of Nuvo authorized to administer the Nuvo Incentive Plan in accordance with its terms;

(x) "**Nuvo Employment Contract**" means any contract between Nuvo or any Nuvo Designated Affiliate and any Arrangement Participant relating to, or entered into in connection with, the employment of the Arrangement Participant, the appointment or election of the Arrangement Participant or the engagement of the Arrangement Participant or any other agreement to which Nuvo or a Nuvo Designated Affiliate is a party with respect to the rights of such Arrangement Participant in respect of the termination of employment, appointment, election or engagement of such Arrangement Participant, as such contract or agreement exists immediately prior to the Arrangement Time;

(y) "**Nuvo Incentive Plan**" means Nuvo's share incentive plan, as amended and restated from time to time;

(z) "**Option**" means an option to purchase Common Shares granted pursuant to, or governed by, the Plan;

(aa) "**Optionee**" means a Participant to whom an Option has been granted pursuant to the Share Option Plan;

(bb) "**Option Period**" means the period of time during which the particular Option may be exercised;

(cc) "**Other Participant**" means any person or corporation engaged to provide ongoing management or consulting services for the Corporation or a Designated Affiliate, or any employee of such person or corporation, other than an Eligible Director or an Eligible Employee;

(dd) "**Outstanding Nuvo Options**" means options to acquire common shares of Nuvo outstanding immediately prior to the Arrangement Time and which, as part of the Plan of Arrangement, were exchanged for Arrangement Options and cancelled;

(ee) "**Participant**" with respect to the Share Purchase Plan means each Eligible Employee and Other Participant and with respect to the Share Option Plan and Share Bonus Plan means each Eligible Director, Eligible Employee and Other Participant;

(ff) "**Participant's Contribution**" means the amount a Participant elects to contribute to the Share Purchase Plan under Section 3.03(a) or Section 3.03(b) of the Plan;

(gg) "**Plan**" means this share incentive plan which includes the Share Purchase Plan, the Share Option Plan and the Share Bonus Plan;

(hh) "**Plan of Arrangement**" means the plan of arrangement proposed under Section 182 of the Act, a copy of which is attached as Schedule A to this Plan;

(ii) "**Share Bonus Plan**" means the share bonus plan described in Article Five hereof;

(jj) "**Share Option Plan**" means the share option plan described in Article Four hereof;

(kk) "**Share Purchase Plan**" means the share purchase plan described in Article Three hereof; and

(ll) "**Stock Exchange**" means The Toronto Stock Exchange, or if the Common Shares are not listed on The Toronto Stock Exchange, such other principal market upon which the Common Shares are traded as designated by the Committee from time to time.

1.02 Securities Definitions:

In the Plan, the terms "affiliate", "associate", "insider" and "subsidiary" shall have the meaning given to such terms in the *Securities Act* (Ontario).

1.03 Headings:

The headings of all articles, sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.

1.04 Context, Construction:

Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

1.05 References to this Plan:

The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to the Plan as a whole and not to any particular article, section, paragraph or other part hereof.

1.06 Canadian Funds:

Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada.

ARTICLE TWO
PURPOSE AND ADMINISTRATION OF THE PLAN

2.01 Purpose of the Plan:

The Plan provides for the acquisition of Common Shares by Participants for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of key employees and directors of the Corporation and the Designated Affiliates of the Corporation and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the ownership of Common Shares by key employees and directors of the Corporation and Designated Affiliates of the Corporation, it being generally recognized that share incentive plans aid in attracting, retaining and encouraging employees and directors due to the opportunity offered to them to acquire a proprietary interest in the Corporation.

2.02 Administration of the Plan:

The Plan shall be administered by the Committee and the Committee shall have full authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary or desirable in order to comply with the requirements of the Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary or desirable for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the Plan shall be for the account of the Corporation.

2.03 Delegation to Committee:

All of the powers exercisable hereunder by the Directors may, to the extent permitted by applicable law and as determined by resolution of the Directors, be exercised by a committee of the Directors comprised of not less than three Directors, including any compensation committee of the Directors.

2.04 Record Keeping:

The Corporation shall maintain a register in which shall be recorded:

(a) the name and address of each Optionee;

(b) the number of Common Shares subject to Options granted to each Optionee;

(c) the aggregate number of Common Shares subject to Options;

(d) the name and address of each Participant in the Share Purchase Plan;

(e) the Participants' Contributions and the Corporation's Contributions in respect of each Participant; and

(f) the number of Common Shares held in safekeeping for the account of a Participant.

2.05 Determination of Participants:

The Committee shall from time to time determine the Participants who may participate in the Share Purchase Plan, the Share Option Plan and the Share Bonus Plan. The Committee shall from time to time determine the number of Common Shares to be issued to any Participant under the Share Bonus Plan, the Participants to whom Options shall be granted, the number of Common Shares to be made subject to and the expiry date of each Option granted to each Participant and the other terms of each Option granted to each Participant, all such determinations to be made in accordance with the terms and conditions of the Plan, and the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Corporation and any other factors which the Committee deems appropriate and relevant.

2.06 Maximum Number of Shares:

(a) The maximum number of Common Shares made available for, and reserved for issuance under, the Plan shall be determined from time to time by the Committee but, in any case, shall not exceed 15% of the total number of Common Shares then outstanding; provided that the maximum number of Common Shares that may be issued under the Share Bonus Plan shall not exceed 3% of the number of Common Shares outstanding immediately following the Arrangement Time. The aggregate number of Common Shares reserved for issuance to any one person upon the exercise of Options shall not exceed 5% of the total number of Common Shares then outstanding. For certainty, to the extent (i) Options granted under the Share Option Plan have been exercised, expire or are otherwise terminated, new Options may be granted in respect thereof, and (ii) Common Shares have been issued pursuant to the Share Purchase Plan, new Common Shares may be issued in respect thereof.

(b) In the event that the Corporation purchases Common Shares for cancellation or any conversion, exchange or purchase rights for Common Shares attached to any securities of the Corporation expire or otherwise are

extinguished, the Corporation shall be deemed to be in compliance with the foregoing maximum limits, if immediately prior to such purchase, expiration or other extinguishment, the Corporation was in compliance with such limit.

2.07 Plan of Arrangement:

Pursuant to the terms of the Plan of Arrangement, this Plan shall be assumed by Crescita on the Arrangement Date at the time provided for in the Plan of Arrangement and, at such time, each outstanding Option will be deemed an Option to acquire an equivalent number of Crescita Common Shares at the same exercise price and on the same terms as are provided for in such outstanding Option. Accordingly, at and after such time, references to the "Corporation" in this Plan shall be deemed to be references to Crescita Therapeutics Inc.

ARTICLE THREE
SHARE PURCHASE PLAN

3.01 The Share Purchase Plan:

A Share Purchase Plan is hereby established for Eligible Employees and Other Participants.

3.02 Participants:

Participants entitled to participate in the Share Purchase Plan shall be Eligible Employees or Other Participants who have been providing services to the Corporation or any Designated Affiliates for at least 12 consecutive months. The Committee, shall have the right, in its absolute discretion, to waive such 12 month period or to determine that the Share Purchase Plan does not apply to any Eligible Employee or Other Participant.

3.03 Election to Participate in Share Purchase Plan and Participant's Contribution:

(a) Any Participant may elect to contribute money to the Share Purchase Plan in any calendar year if the Participant, prior to the end of the immediately preceding calendar year, delivers to the Corporation a written direction in form and substance satisfactory to the Corporation authorizing the Corporation to deduct from the remuneration of the Participant the Participant's Contribution in equal instalments.

(b) If, on December 31 of any year, a Participant has not been continuously providing service to the Corporation or any of its Designated Affiliates for at least 12 consecutive months (unless such 12-month requirement is waived by the Committee), then, in the calendar quarter during which such Participant reaches six consecutive months of service, such Participant may elect to make a Participant's Contribution with respect to the balance of that calendar year, commencing at the beginning of the next calendar quarter, by delivering to the Corporation the written direction referred to above.

(c) The Participant's Contribution shall not exceed 10% (unless changed by the Committee), before deductions, of the Participant's Basic Annual Salary; provided that, in the event of any employee electing to make a Participant's Contribution for less than a full year in accordance with paragraph (b) above, his or her Basic Annual Salary shall be pro-rated for the balance of that calendar year.

(d) No adjustment shall be made to the Participant's Contribution until the next succeeding calendar year, and then only if a new written direction shall have been delivered to the Corporation for such calendar year. The Participant's Contribution shall be held by the Corporation in trust for the purposes of the Share Purchase Plan.

3.04 Corporation's Contribution:

Immediately prior to the date any Common Shares are issued to a Participant in accordance with Section 3.06, the Corporation will credit the Participant with and thereafter hold in trust for the Participant an amount equal to the Participant's Contribution then held in trust by the Corporation.

3.05 Aggregate Contribution:

The Corporation shall not be required to segregate the Aggregate Contribution from its own corporate funds or to pay interest thereon.

3.06 Issue of Shares:

(a) As soon as practicable following March 31, June 30, September 30 and December 31 in each calendar year the Corporation shall issue for the account of each Participant fully paid and non-assessable Common Shares equal in value to the Aggregate Contribution held in trust as of such date by the Corporation converted into Common Shares at the applicable Issue Price. If such conversion would otherwise result in the issue for the account of a Participant of a fraction of a Common Share, the Corporation will issue only such whole Common Shares as are issuable.

(b) The Corporation shall hold any unused balance of the Aggregate Contribution in trust for a Participant until used in accordance with the Share Purchase Plan.

3.07 Safekeeping and Delivery of Shares:

(a) All Common Shares issued for the account of a Participant in accordance with Section 3.06 will be held in safekeeping by the Corporation and will be delivered, subject as provided in the Share Purchase Plan, to such Participant upon the expiry of the Holding Period from the date of issue of such Common Shares. If the Corporation receives, on behalf of a Participant in respect of any Common Shares so held:

(i) cash dividends;

(ii) options or rights to purchase additional securities of the Corporation or any other corporation;

(iii) any notice of meeting, proxy statement and proxy for any meeting of holders of Common Shares of the Corporation; or

(iv) other or additional Common Shares or other securities (by way of dividend or otherwise);

then the Corporation shall forward to such Participant, at his or her last address according to the register maintained under Section 2.04, any of the items listed in Section 3.07(a)(i), (ii) and (iii); and shall hold in safekeeping any additional securities referred to in Section 3.07(a)(iv) and shall deliver such securities to the Participant with delivery of the Common Shares in respect of which such additional securities were issued.

(b) Any Common Shares held for the account of an Eligible Employee in safekeeping by the Corporation will be distributed to an Eligible Employee or the estate of the Eligible Employee, prior to the expiry of the applicable Holding Period only upon:

(i) the date of the commencement of the Eligible Employee's retirement in accordance with the Corporation's normal retirement policy;

(ii) the date of the commencement of the total disability of the Eligible Employee determined in accordance with the Corporation's normal disability policy; or

(iii) the date of death of the Eligible Employee.

(c) Any Common Shares held for the account of an Other Participant in safekeeping by the Corporation will be distributed to the Other Participant or the estate of the Other Participant, prior to the expiry of the applicable Holding Period only upon:

(i) the date of the commencement of the Other Participant's retirement in accordance with the Corporation's normal retirement policy, or in the case of an Other Participant that is not an individual, the date of the commencement of the retirement of the primary individual providing services to the Corporation on behalf of the Other Participant;

(ii) the date of the commencement of the total disability of the Other Participant, or in the case of an Other Participant that is not an individual, the date of the commencement of the total disability of the primary individual providing the services to the Corporation or Designated Affiliate on behalf of the Other Participant, determined in accordance with the Corporation's normal disability policy; or

(iii) the date of death of the Other Participant or, in the case of an Other Participant that is not an individual, the date of death of the primary individual providing the services to the Corporation or Designated Affiliate on behalf of the Other Participant.

(d) If there is a take-over bid (within the meaning of the Securities Act (Ontario)) made for all or a portion of the issued and outstanding Common Shares, then the Committee may, by resolution, make any Common Shares held in trust for a Participant immediately deliverable in order to permit such shares to be tendered to such bid. In addition the Committee may, by resolution, permit the Corporation's Contribution to be made and Common Shares issued for the then Aggregate Contribution prior to expiry of any such take-over bid in order to permit such shares to be tendered to such bid.

3.08 Termination of Employment:

If a Participant shall cease to be employed by, or provide services to, the Corporation or any of its Designated Affiliates for any reason or shall receive notice from the Corporation of the termination of his or her contract of service or employment:

(a) the Participant shall automatically cease to be entitled to participate in the Share Purchase Plan;

(b) any portion of the Participant's Contribution then held in trust for the Participant shall be paid to the Participant or the estate of the Participant;

(c) any portion of the Corporation's Contribution then held in trust for the Participant shall be paid to the Corporation; and

(d) any Common Shares then held in safekeeping for a Participant shall, subject to Section 3.07 in the case of retirement, disability or death, and subject to the provisions of the Act, remain in safekeeping until the expiry of the Hold Period.

3.09 Election to Withdraw from Share Purchase Plan:

Any Participant may at any time elect to withdraw from the Share Purchase Plan. In order to withdraw the Participant must give at least two weeks' notice to the Corporation in writing in form and substance satisfactory to the Corporation directing the Corporation to cease deducting from the Participant's remuneration the Participant's Contribution. Deductions will cease to be made commencing with the first pay date following expiry of the two week notice. The Participant's Contribution will continue to be held in trust. On the next following date for making the Corporation's Contribution the Corporation will credit the Participant with the pro rata amount of the Corporation's Contribution, calculated in accordance with Section 3.04. The issuance and delivery of Common Shares will not be accelerated by such withdrawal but will occur on the date on which such Common Shares would otherwise have been issued in accordance with Section 3.06 and delivered to the Participant in accordance with Section 3.07 had the Participant not elected to withdraw from the Share Purchase Plan.

3.10 Necessary Approvals:

The obligation of the Corporation to issue and deliver any Common Shares in accordance with the Share Purchase Plan shall be subject to any necessary approval of any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation. If any Common Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate and any Participant's Contribution held in trust for a Participant shall be returned to the Participant without interest.

3.11 Alternative Purchase:

In lieu of making Participants' Contributions pursuant to Section 3.03(a) and Section 3.03(b), the Directors may authorize an alternative form of Participant's Contribution each year, and upon such authorization, all Participants may make a Participant's Contribution on or before December 31 of such year, based on the Participant's Basic Annual Salary for the preceding calendar year and in accordance with Section 3.03(c), and the Corporation shall contribute and credit the Participant with an amount equal to the Participant's Contribution. As soon as practicable following December 31 in each calendar year, and upon receipt of a written undertaking from the Participant to hold such Common Shares until the expiry of the Holding Period the Corporation shall issue and immediately deliver to each Participant or the trustee of the Participant's self directed registered retirement savings plan fully paid and non-assessable Common Shares equal in value to the Aggregate Contribution converted into Common Shares at the applicable Issue Price. If such conversion would otherwise result in the issue for the account of a Participant of a fraction of a Common Share, the Corporation will issue only such whole Common Shares as are issuable. The Corporation shall hold any unused balance of the Aggregate Contribution in trust for a Participant until used in accordance with the Share Purchase

Plan. The Directors may in their sole discretion amend the Plan to delete this Section 3.11 and make amendments to the corresponding provisions of the Plan at any time without the approval of the shareholders of the Corporation.

ARTICLE FOUR
SHARE OPTION PLAN

4.01 The Share Option Plan and Participants:

A Share Option Plan is hereby established for Eligible Directors, Eligible Employees and Other Participants.

4.02 Option Agreement:

Each Option granted to a Participant shall be evidenced by a stock option agreement setting out the terms and conditions consistent with the provisions of the Plan, which terms and conditions need not be the same in each case and which terms and conditions may be changed from time to time.

4.03 Exercise Price:

Subject to Section 4.13(b), the price per share at which any Common Share which is the subject of an Option may be purchased shall be determined by the Committee at the time the Option is granted, provided that such price shall not be less than the closing price of the Common Shares on the Stock Exchange on the last trading day immediately preceding the date of grant of such Option.

4.04 Term of Option:

The Option Period for each Option shall be such period of time as shall be determined by the Committee, subject to any Employment Contract, provided that no Option Period shall exceed 10 years.

4.05 Lapsed Options:

If Options granted under the Share Option Plan are surrendered, terminate or expire without being exercised in whole or in part, new Options may be granted covering the Common Shares not purchased under such lapsed Options.

4.06 Limit on Options to be Exercised:

Except as otherwise specifically provided in any Employment Contract, in Section 4.10 of the Plan, or by resolution of the Directors or the Committee, Options may be exercised (in each case to the nearest full share) during the Option Period as follows:

(a) At any time during the Option Period after the end of the first year thereof, the Participant may purchase up to one third of the aggregate number of Common Shares subject to such Option;

(b) At any time during the Option Period after the end of the second year thereof, the Participant may purchase an additional one third of the aggregate number of Common Shares subject to such Option plus any Common Shares not purchased in accordance with paragraph (a) above; and

(c) At any time during the Option Period after the expiration of the third year thereof, the Participant may purchase any Common Shares subject to such Option not purchased in accordance with paragraphs (a) and (b) above.

The Directors or the Committee may, at any time, waive the foregoing vesting requirements.

4.07 Eligible Participants on Exercise:

Subject to Section 4.06, an Option may be exercised by the Optionee in whole at any time, or in part from time to time, during the Option Period, provided however that, except as otherwise specifically provided in Section 4.10 or Section 4.11 hereof or in any Employment Contract or any resolution of the Directors or the Committee, no Option may be exercised unless the Optionee at the time of exercise thereof is:

(a) in the case of an Eligible Employee, an officer of the Corporation or a Designated Affiliate or in the employment of the Corporation or a Designated Affiliate and has been continuously an officer or so employed since the date of grant of such Option, provided however that a leave of absence with the approval

of the Corporation or such Designated Affiliate shall not be considered an interruption of employment for purposes of the Plan;

(b) in the case of an Eligible Director who is not also an Eligible Employee, a director of the Corporation or a Designated Affiliate and has been such a director continuously since the date of grant of such Option; and

(c) in the case of an Other Participant, engaged, directly or indirectly, in providing ongoing management or consulting services for the Corporation or a Designated Affiliate and has been so engaged since the date of the grant of such Option.

4.08 Payment of Exercise Price:

The issue of Common Shares on exercise of any Option shall be contingent upon receipt by the Corporation of payment of the aggregate purchase price for the Common Shares in respect of which the Option has been exercised by cash or certified cheque delivered to the registered office together with a validly completed notice of exercise. No Optionee or legal representative, legatee or distributee of any Optionee will be, or will be deemed to be, a holder of any Common Shares with respect to which such Optionee was granted an Option, unless and until certificates for such Common Shares are issued to such Optionee, or them, under the terms of the Plan. Upon an Optionee exercising an Option and paying the Corporation the aggregate purchase price for the Common Shares in respect of which the Option has been exercised, the Corporation shall as soon as practicable issue and deliver a certificate representing the Common Shares so purchased.

4.09 Acceleration on Take-over Bid:

If there is a take-over bid (within the meaning of the *Securities Act* (Ontario)) made for all or any of the issued and outstanding Common Shares, then the Committee may, by resolution, permit all Options outstanding to become immediately exercisable, notwithstanding Section 4.06 hereof, in order to permit Common Shares issuable under such Options to be tendered to such bid.

4.10 Effect of Death:

If a Participant or, in the case of an Other Participant which is not an individual, the primary individual providing services to the Corporation or Designated Affiliate on behalf of the Other Participant, shall die, any Option held by such Participant or Other Participant at the date of such death shall become immediately exercisable notwithstanding Section 4.06 hereof, and shall be exercisable in whole or in part only by the person or persons to whom the rights of the Optionee under the Option shall pass by the will of the Optionee or the laws of descent and distribution for a period of nine months (or such other period of time as is otherwise provided in an Employment Contract) after the date of death of the Optionee or prior to the expiration of the Option Period in respect of the Option, whichever is sooner, and then only to the extent that such Optionee was entitled to exercise the Option at the date of death of such Optionee.

4.11 Effect of Termination of Employment:

If a Participant shall:

(a) cease to be a director of the Corporation and any of its Designated Affiliates (and is not or does not continue to be an employee thereof) for any reason (other than death); or

(b) cease to be employed by, or provide services to, the Corporation or any of its Designated Affiliates (and is not or does not continue to be a director or officer thereof), or any corporation engaged to provide services to the Corporation or the Designated Affiliates, for any reason (other than death) or shall receive notice from the Corporation or any of its Designated Affiliates of the termination of their Employment Contract;

(collectively a "**Termination**"), except as otherwise provided in any Employment Contract or any resolution of the Directors or the Committee, such Participant may, but only within 60 days next succeeding such Termination, exercise their Options to the extent that such Participant was entitled to exercise such options at the date of such Termination, provided that notwithstanding the foregoing or any Employment Contract, in no event shall such right extend beyond the Option Period. This Section 4.11 is subject to any Employment Contract or any other agreement to which the Corporation or its Designated Affiliates is a party with respect to the rights of such Participant upon Termination or change in control of the Corporation.

4.12 Necessary Approvals:

The obligation of the Corporation to issue and deliver any Common Shares in accordance with the Share Option Plan shall be subject to any necessary approval of any stock exchange or regulatory authority having jurisdiction over the securities of the

Corporation. If any Common Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate and any Option exercise price paid to the Corporation shall be returned to the Participant.

4.13 Plan of Arrangement.

(a) For all purposes under the Share Option Plan, Arrangement Options granted in exchange for Outstanding Nuvo Options pursuant to the Plan of Arrangement shall be deemed to have been originally granted under this Share Option Plan but shall also be deemed a continuation of the Outstanding Nuvo Options for which they are exchanged as part of the Plan of Arrangement. Accordingly, the date on which an Arrangement Option is granted for purposes of the Share Option Plan shall be deemed to be the date of the grant of the Outstanding Nuvo Option for which such Arrangement Option was exchanged as part of the Plan of Arrangement notwithstanding that this Plan was not effective at such time.

(b) The price per share at which any Common Share which is the subject of an Arrangement Option may be purchased shall be an amount equal to the Butterfly Proportion (as such term is defined in the Plan of Arrangement) of the original exercise price of the Outstanding Nuvo Option for which such Arrangement Option was exchanged as part of the Plan of Arrangement.

(c) Notwithstanding anything contained herein to the contrary, each person that holds an Outstanding Nuvo Option immediately prior to the Arrangement Time (each such person, an "**Arrangement Participant**") shall, for so long as such Arrangement Participant remains a director, officer or employee of Nuvo or any Nuvo Designated Affiliate, or provides ongoing management or consulting services for Nuvo or any Nuvo Designated Affiliate (each such person, a "**Nuvo Consultant**") or is an employee of a Nuvo Consultant, as applicable, be permitted to hold and exercise his or her Arrangement Options in accordance with their terms and the terms of this Plan as though such Arrangement Participant is an Eligible Director, Eligible Employee or Other Participant, as applicable, and be deemed, as applicable, to be a "Participant" for such purposes, and, for greater certainty, any reference to an "Employment Contract" in this Plan shall be deemed to include any Nuvo Employment Contract applicable to such Arrangement Participant. Upon any Arrangement Participant ceasing to be a director, officer or employee of Nuvo or its Nuvo Designated Affiliates, or a Nuvo Consultant or employee of a Nuvo Consultant, as applicable, provided that at such time such Arrangement Participant is not, or does not concurrently become, an Eligible Director, Eligible Officer or Other Participant, such Arrangement Participant shall be treated for the purposes of the Share Option Plan as having ceased to be so employed with or engaged by the Corporation and its Designated Affiliates and such Arrangement Participant's Arrangement Options shall be dealt with in accordance with Section 4.11 of the Plan.

ARTICLE FIVE
SHARE BONUS PLAN

5.01 The Share Bonus Plan:

A Share Bonus Plan is hereby established for Eligible Directors and Eligible Employees and Other Participants.

5.02 Participants:

The Committee shall have the right to determine, in its sole and absolute discretion, to issue for no cash consideration to any Participant any number of Common Shares as a discretionary bonus subject to such provisions and restrictions (including such vesting provisions) as the Committee may determine.

5.03 Necessary Approvals:

The obligation of the Corporation to issue and deliver any Common Shares in accordance with the Share Bonus Plan shall be subject to any necessary approvals of any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation. If any Common Shares cannot be issued to any Participant under the Share Bonus Plan for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate.

ARTICLE SIX
WITHHOLDING TAXES AND SECURITIES LAWS OF THE UNITED STATES OF AMERICA

6.01 Withholding Taxes:

The Corporation or any Designated Affiliate of the Corporation may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Corporation or any Designated Affiliate of the Corporation is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Option or Common Share including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Common Shares to be issued upon the exercise of any Option, until such time as the Participant has paid the Corporation or any Designated Affiliate of the Corporation for any amount which the Corporation or Designated Affiliate of the Corporation is required to withhold with respect to such taxes.

6.02 Securities Laws of the United States of America:

Neither the Options which may be granted pursuant to the provisions of the Share Option Plan nor the Common Shares which may be acquired pursuant to the exercise of Options or participation in the Share Purchase Plan or Share Bonus Plan have been registered under the United States Securities Act of 1933, as amended (the "**U.S. Act**"), or under any securities law of any state of the United States of America. Accordingly, any Participant who is issued Common Shares or granted an Option in a transaction which is subject to the U.S. Act or the securities laws of any state of the United States of America may be required to represent, warrant, acknowledge and agree that:

(a) the Participant is acquiring the Option and/or any Common Shares as principal and for the account of the Participant;

(b) in granting the Option and/or issuing the Common Shares to the Participant, the Corporation is relying on the representations and warranties of the Participant to support the conclusion of the Corporation that the granting of the Option and/or the issue of Common Shares do not require registration under the U.S. Act or have to be qualified under the securities laws of any state of the United States of America;

(c) each certificate representing Common Shares issued may be required to have the following legends:

> "THE COMMON SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), AND MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (C) WITH THE PRIOR WRITTEN CONSENT OF THE CORPORATION, PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS."
>
> "THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT GOOD DELIVERY OF THE COMMON SHARES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE. A CERTIFICATE WITHOUT A LEGEND MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT FOR THE COMMON SHARES OF THE CORPORATION IN CONNECTION WITH A SALE OF THE COMMON SHARES REPRESENTED HEREBY UPON DELIVERY OF THIS CERTIFICATE AND AN EXECUTED DECLARATION BY THE SELLER, IN A FORM SATISFACTORY TO THE REGISTRAR AND TRANSFER AGENT AND THE CORPORATION, TO THE EFFECT THAT SUCH SALE IS BEING MADE IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT.";

provided that if such Common Shares are being sold outside the United States of America in compliance with the requirements of Rule 904 of Regulation S under the U.S. Act the foregoing legends may be removed by providing a written declaration by the holder to the registrar and transfer agent for the Common Shares to the following effect:

> "The undersigned (a) represents and warrants that the sale of the securities of Crescita Therapeutics Inc. (the "**Corporation**") to which this declaration relates is being made in compliance with Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (b) certifies that (1) the undersigned is not an affiliate of the Corporation as that term is defined in the U.S. Securities Act, (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the undersigned and any person acting on behalf of the undersigned reasonably believe that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of The Toronto Stock Exchange and neither the undersigned nor any person acting on behalf of the undersigned knows that the transaction has been prearranged with a buyer in the United States, and (3) neither the undersigned nor any affiliate of the undersigned nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.";

(d) other than as contemplated by paragraph (c) above, prior to making any disposition of any Common Shares acquired pursuant to the Plan which might be subject to the requirements of the U.S. Act, the Participant shall give written notice to the Corporation describing the manner of the proposed disposition and containing such other information as is necessary to enable counsel for the Corporation to determine whether registration under the U.S. Act or qualification under any securities laws of any state of the United States of America is required in connection with the proposed disposition and whether the proposed disposition is otherwise in compliance with such legislation and the regulations thereto;

(e) other than as contemplated by paragraph (c) above, the Participant will not attempt to effect any disposition of the Common Shares owned by the Participant and acquired pursuant to the Plan or of any interest therein which might be subject to the requirements of the U.S. Act in the absence of an effective registration statement relating thereto under the U.S. Act or an opinion of counsel satisfactory in form and substance to counsel for the Corporation that such disposition would not constitute a violation of the U.S. Act and then will only dispose of such Common Shares in the manner so proposed;

(f) the Corporation may place a notation on the records of the Corporation to the effect that none of the Common Shares acquired by the Participant pursuant to the Plan shall be transferred unless the provisions of the Plan have been complied with; and

(g) the effect of these restrictions on the disposition of the Common Shares acquired by the Participant pursuant to the Plan is such that the Participant may not be able to sell or otherwise dispose of such Common Shares for a considerable length of time in a transaction which is subject to the provisions of the U.S. Act other than as contemplated by paragraph (c) above.

ARTICLE SEVEN
GENERAL

7.01 Effective Time of Plan:

This Plan shall become effective on the Arrangement Date at the time specified in the Plan of Arrangement.

7.02 Amendment of Plan:

The Committee may from time to time in the absolute discretion of the Committee amend, modify and change the provisions of the Plan or any Options granted pursuant to the Plan without shareholder approval, provided that any amendment, modification or change to the provisions of the Plan or any Options granted pursuant to the Plan which would:

(a) materially increase the benefits under the Plan or any Options granted pursuant to the Plan;

(b) increase the number of Common Shares, other than by virtue of Section 7.06 and Section 7.07 of the Plan, which may be issued pursuant to the Plan; or

(c) materially modify the requirements as to eligibility for participation in the Plan;

shall only be effective upon such amendment, modification or change being approved by the shareholders of the Corporation if required by the Stock Exchange and any other regulatory authority having jurisdiction over the securities of the Corporation. Any amendment, modification or change of any provision of the Plan or any Options granted pursuant to the Plan shall be subject to approval, if required, by any regulatory authority having jurisdiction over the securities of the Corporation.

7.03 Non-Assignable:

No rights under the Plan and no Option awarded pursuant to the provisions of the Plan are assignable or transferable by any Participant other than pursuant to a will or by the laws of descent and distribution.

7.04 Rights as a Shareholder:

No Optionee shall have any rights as a shareholder of the Corporation with respect to any Common Shares which are the subject of an Option. No Optionee shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or other rights declared for shareholders of the Corporation for which the record date is prior to the date issue of certificates representing Common Shares.

7.05 No Contract of Employment:

Nothing contained in the Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Corporation or any Designated Affiliate nor interfere or be deemed to interfere in any way with any right of the Corporation or any Designated Affiliate to discharge any Participant at any time for any reason whatsoever, with or without cause. Participation in any of the Plans by a Participant shall be voluntary.

7.06 Consolidation, Merger, etc.:

If there is a consolidation, merger or statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities or a transfer of all or substantially all of the assets of the Corporation to another entity:

(a) each Participant for whom Common Shares are held in safekeeping under the Share Purchase Plan shall receive on the date that Common Shares would otherwise be delivered to the Participant the securities, property or cash to which the Participant would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the Participant had held the Common Shares immediately prior to such event; and

(b) upon the exercise of an Option under the Share Option Plan, the holder thereof shall be entitled to receive the securities, property or cash which the holder would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the holder had exercised the Option immediately prior to the effective time of such event, unless the directors of the Corporation otherwise determine the basis upon which such Option shall be exercisable.

7.07 Adjustment in Number of Shares Subject to the Plan:

In the event there is any change in the Common Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in:

(a) the number of Common Shares available under the Plan;

(b) the number of Common Shares subject to any Option; and

(c) the exercise price of the Common Shares subject to Options.

If the foregoing adjustment shall result in a fractional Common Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of the Plan.

7.08 Securities Exchange Take-over Bid:

In the event that the Corporation becomes the subject of a take-over bid (within the meaning of the *Securities Act* (Ontario)) pursuant to which 100% of the issued and outstanding Common Shares are acquired by the offeror either directly or as a result of the compulsory acquisition provisions of the incorporating statute, and where consideration is paid in whole or in part in equity securities of the offeror, the Committee may send notice to all Optionees requiring them to surrender their Options within 10 days of the mailing of such notice, and the Optionees shall be deemed to have surrendered such Options on the tenth day after the mailing of such notice without further formality, provided that:

(a) the offeror delivers with such notice an irrevocable and unconditional offer to grant replacement options to the Optionees on the equity securities offered as consideration;

(b) the Committee has determined, in good faith, that such replacement options have substantially the same economic value as the Options being surrendered; and

(c) the surrender of Options and the granting of replacement options can be effected on a tax free rollover basis under the *Income Tax Act* (Canada).

7.09 No Representation or Warranty:

The Corporation makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of the Plans.

7.10 Participation through RRSP's and Holding Companies:

Subject to the approval of the Committee, an Eligible Employee or Eligible Director may elect, at the time rights or Options are granted under the Plan, to participate in the Plan by holding any rights or Options granted under the Plan in a registered retirement savings plan established by such Eligible Employee or Eligible Director for the sole benefit of such Eligible Employee or Eligible Director or in a personal holding corporation controlled by such Eligible Employee or Eligible Director. For the purposes of this Section 7.10, a personal holding corporation shall be deemed to be controlled by an Eligible Employee or Eligible Director if (i) voting securities carrying more than 50% of the votes for the election of directors of such corporation are held, otherwise than by way of security only, by or for the benefit of such Eligible Employee or Eligible Director and the votes carried by such voting securities are entitled, if exercised, to elect a majority of the board of directors of such corporation, and (ii) all of the voting and equity securities of such corporation are directly or indirectly held, otherwise than by way of security only, by or for the benefit of such Eligible Employee or Eligible Director and/or his or her spouse, children or grandchildren. In the event that an Eligible Employee or Eligible Director elects to hold the rights or Options granted under the Plan in a registered retirement savings plan or personal holding corporation, the provisions of the Plan shall continue to apply as if the Eligible Employee or Eligible Director held such rights or Options directly.

7.11 Compliance with Applicable Law:

If any provision of the Plan or any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

7.12 Interpretation:

This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario.

SCHEDULE A

PLAN OF ARRANGEMENT

[See above.]

EXHIBIT IV

Amended and Restated Nuvo SARs Plan

NUVO RESEARCH INC.

AMENDED AND RESTATED SHARE APPRECIATION RIGHTS PLAN

1. DEFINITIONS

As used herein:

(a) "**Act**" means the Business Corporations Act (Ontario) or its successor, as amended from time to time;

(b) "**Arrangement Date**" has the meaning given to it in the Plan of Arrangement;

(c) "**Arrangement Time**" has the meaning given to it in the Plan of Arrangement;

(d) "**Blackout Period**" means the period during which designated directors, officers and employees of the Corporation are required to not trade Shares pursuant to the Corporation's policies respecting restrictions on directors', officers' and employee trading in effect from time to time;

(e) "**Cause**" means cause, as such term is interpreted from time to time by the courts of the applicable jurisdiction of employment of the applicable Participant, or, where cause (or a synonymous concept) is defined in the Employment Contract of such Participant, as so defined;

(f) "**Committee**" means the Directors or, if so designated by the Directors to administer the Plan, the committee of the Directors authorized to administer the Plan (provided that such committee of the Board shall be comprised of no less than three Directors);

(g) "**Corporation**" means Nuvo Research Inc., a corporation formed under the Act, which, pursuant to the Plan of Arrangement, will change its name from "Nuvo Research Inc." to "Nuvo Pharmaceuticals Inc.", and its successors;

(h) "**Crescita**" means, prior to the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Plan of Arrangement, 2487001 Ontario Limited, a corporation incorporated under the Act, and from and after the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Arrangement, Crescita Therapeutics Inc., the corporation under the Act formed by the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Plan of Arrangement, and its successors;

(i) "**Crescita Participant**" means a person who receives Post-Arrangement Nuvo SARs pursuant to the Plan of Arrangement and who, immediately following the Arrangement Time, is a director, employee or officer (including both full-time and part-time employees) of Crescita or one of its Designated Affiliates, any person or corporation engaged to provide ongoing management or consulting services for Crescita or a Designated Affiliate, or any employee of such person or corporation;

(j) "**Crescita SARs Plan**" means Crescita's share appreciation rights plan, as amended and restated from time to time;

(k) "**Designated Affiliate**" means (a) in respect of the Corporation, the affiliates of the Corporation designated by the Committee for purposes of this Plan from time to time, and (b) in respect of Cescita, the affiliates of Crescia designated by the board of directors of Crescita (or a duly authorized committee thereof) for the purposes of the Crescita SARs Plan;

(l) "**Directors**" means the board of directors of the Corporation from time to time;

(m) "**Employment Contract**" means any contract between the Corporation, Crescita or any of their respective Designated Affiliates and any Participant relating to, or entered into in connection with, the employment of an employee, the appointment or election of a director or the engagement of a consultant or any other agreement to which the Corporation, Crescita or any of their respective Designated Affiliates is a party with

respect to the rights of such Participant in respect of a change in control of the Corporation or Crescita or the termination of employment, appointment, election or engagement of such Participant with the Corporation, Crescita or any of their respective Designated Affiliates;

(n) "**Fair Market Value**" with respect to the Shares shall be the closing price of the Shares on the Toronto Stock Exchange on the last trading day on which the Shares traded prior to the applicable date; provided that if such date falls within a Blackout Period, the Fair Market Value of the Shares shall be the closing price of the Shares on the Toronto Stock Exchange on the fifth trading day following the expiration of such Blackout Period or subject to the approval of the Toronto Stock Exchange, such other later date as the Committee shall determine;

(o) "**Grant**" means a grant of Post-Arrangement Nuvo SARs to a Participant pursuant to the terms of the Plan of Arrangement;

(p) "**Grant Confirmation**" means, with respect to a Post-Arrangement Nuvo SAR, the written confirmation provided to the Participant for the Outstanding Nuvo SAR that was exchanged, in part, for such Post-Arrangement Nuvo SAR pursuant to the Plan of Arrangement;

(q) "**Grant Date**" means, with respect to a particular Grant, the date of the applicable Grant Confirmation;

(r) "**Grant Price**" means the grant price attributable to each Crescita Arrangement SAR of a particular tranche, determined in accordance with the Plan of Arrangement and described in Section 2(b);

(s) "**Nuvo Participant**" means a person who receives Post-Arrangement Nuvo SARs pursuant to the Plan of Arrangement and who, immediately following the Arrangement Time, is a director, employee or officer (including both full-time and part-time employees) of Nuvo or one of its Designated Affiliates, any person or corporation engaged to provide ongoing management or consulting services for Nuvo or a Designated Affiliate, or any employee of such person or corporation;

(t) "**Outstanding Nuvo SARs**" means the share appreciation rights issued under the predecessor to this Plan that were outstanding immediately prior to the Arrangement Time;

(u) "**Participants**" means the Nuvo Participants and the Crescita Participants;

(v) "**Plan**" means this Amended and Restated Share Appreciation Rights Plan, as amended and restated from time to time;

(w) "**Plan of Arrangement**" means the plan of arrangement proposed under Section 182 of the Act, a copy of which is attached as Schedule 1;

(x) "**Post-Arrangement Nuvo SARs**" means the share appreciation rights granted to Participants under this Plan pursuant to the Plan of Arrangement in partial exchange for Outstanding Nuvo SARs, and "**Post-Arrangement Nuvo SAR**" means any one of them;

(y) "**Shares**" means the common shares in the capital of the Corporation;

(z) "**Shareholder Approval**" means approval of this Plan by the shareholders of Nuvo prior to the Arrangement Date or approval by shareholders of the Corporation following the Arrangement Date, in either case in accordance with the policies of the Toronto Stock Exchange; and

(aa) "**Vesting Date**" means, with respect to a Post-Arrangement Nuvo SAR, the date or dates on which such Post-Arrangement Nuvo SAR vests, as set out in the applicable Grant Confirmation.

2. PLAN OF ARRANGEMENT

(a) For all purposes under this Plan, Post-Arrangement Nuvo SARs granted in exchange for Outstanding Nuvo SARs pursuant to the Plan of Arrangement shall be deemed to have been granted under and shall be subject to, this Plan, and shall be deemed to be a continuation of the Outstanding Nuvo SARs for which they were exchanged pursuant to the Plan of Arrangement. Accordingly, the date on which a Post-Arrangement Nuvo SAR is Granted for purposes of this Plan shall be deemed to be the date of the grant of the Outstanding Nuvo

SAR for which such Post-Arrangement Nuvo SAR was exchanged pursuant to the Plan of Arrangement, notwithstanding that this Plan was not effective at such time.

(b) The Grant Price for each Post-Arrangement Nuvo SAR shall be deemed for all purposes of this Plan to be an amount equal to the difference between (i) the original grant price of the Outstanding Nuvo Option for which such Post-Arrangement Nuvo SAR was exchanged as part of the Plan of Arrangement, and (ii) the product obtained by multiplying (A) the original grant price of the Outstanding Nuvo Option for which such Post-Arrangement Nuvo SAR was exchanged as part of the Plan of Arrangement, by (B) the Butterfly Proportion (as such term is defined in the Plan of Arrangement).

3. ADMINISTRATION OF THE PLAN

The Plan shall be administered by the Committee and the Committee shall have full authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary or desirable in order to comply with the requirements of the Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary or desirable for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the administration of the Plan shall be for the account of the Corporation.

4. GRANT OF SHARE APPRECIATION RIGHTS

(a) All Post-Arrangement Nuvo SARs shall be subject to the terms and conditions of this Plan.

(b) No rights other than the Post-Arrangement Nuvo SARs granted pursuant to the Plan of Arrangement shall be granted pursuant to this Plan.

(c) Post-Arrangement Nuvo SARs shall vest at such times and to the extent set forth in the Grant Confirmation to which they relate.

5. SHARES RESERVED FOR ISSUANCE

Subject to receipt of Shareholder Approval, the maximum number of Shares reserved for issuance under this this Plan shall be fixed at 495,093.

6. VESTING OF SHARE APPRECIATION RIGHTS AND PAYMENT

(a) Subject to Sections 8 and 10, each tranche of Post-Arrangement Nuvo SARs Granted to a Participant shall vest on the applicable Vesting Date specified in the applicable Grant Confirmation and shall be payable (if applicable) in accordance with Section 6(b).

(b) Upon the vesting of a tranche of Post-Arrangement Nuvo SARs, as set out in the applicable Grant Confirmation, the Corporation or the relevant Designated Affiliate, as the case may be, shall, within 30 days following the applicable Vesting Date (subject to extension pursuant to Section 13), deliver or cause to be delivered to the Participant cash or Shares (or a combination thereof), as determined in accordance with Section 6(c), with an aggregate value equal to the amount, if any, determined, in respect of such tranche of Post-Arrangement Nuvo SARs, by multiplying:

(i) the positive amount (if any) by which the Fair Market Value of one Share on the applicable Vesting Date exceeds the applicable Grant Price; by

(ii) the number of such vested Post-Arrangement Nuvo SARs (the "**Payment Amount**").

For certainty, if the amount calculated in Section 6(b)(i) is nil or a negative amount, the Participant shall not be entitled to receive any Payment Amount (either in cash or Shares) in respect of such Post-Arrangement

Nuvo SARs and the applicable Post-Arrangement Nuvo SARs shall automatically terminate and all rights in respect thereof shall expire.

(c) The Participant shall have the option to elect whether to receive the Payment Amount in cash or Shares (based on the Fair Market Value of the Shares as of the applicable Vesting Date) or a combination thereof, provided that:

(i) if the Participant elects to receive any portion of the Payment Amount in cash, the Corporation shall have the right to satisfy all or any portion of such cash portion in Shares (based on the Fair Market Value of the Shares as of the applicable Vesting Date); and

(ii) notwithstanding anything to the contrary in this Plan, if Shareholder Approval has not been obtained at the time when the Payment Amount is required to be paid, then the Payment Amount shall be paid solely in cash.

7. TRANSFERABILITY

The right to receive the Payment Amount (either in cash or Shares, as determined by the Corporation) pursuant to vested Post-Arrangement Nuvo SARs granted to a Participant may only be conferred to a Participant personally or, upon the Participant's death, the legal representative of his or her estate or any other person who acquires his or her rights in respect of a Post-Arrangement Nuvo SAR by bequest or inheritance. Except as otherwise provided in this Plan, no assignment, sale, transfer, pledge or charge of a Post-Arrangement Nuvo SAR, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Post-Arrangement Nuvo SAR whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such Crescita Arrangement SAR shall terminate and be of no further force or effect.

8. TERMINATION

(a) If a Participant at any time:

(i) is no longer a director of any of the Corporation, Crescita or any of their respective Designated Affiliates (and is not or does not continue to be an employee or consultant thereof) for any reason (other than for Cause but, for certainty, including death or disability);

(ii) is no longer employed by any of the Corporation, Crescita or any of their respective Designated Affiliates (and is not or does not continue to be a director or consultant thereof) for any reason (other than for Cause but, for certainty, including death or disability); or

(iii) is no longer engaged by any of the Corporation, Crescita or any of their respective Designated Affiliates as a consultant (and is not or does not continue to be a director or employee thereof) for any reason (other than for Cause but, for certainty, including death or disability),

(collectively, a "**Termination**"), then there shall be an automatic acceleration of vesting of such number of the Participant's outstanding Post-Arrangement Nuvo SARs (the "**Termination SARs**") as determined in accordance with the following formula (calculated separately for each outstanding tranche of Post-Arrangement Nuvo SARs):

$$(A / B) \times C$$

where,

- "**A**" means the number of days comprising the period from the Grant Date up to, and including, the date of Termination (which, in the case of the death of a Participant, shall be the date of death);
- "**B**" means the number of days comprising the period from the Grant Date up to, and including, the Vesting Date in respect of such tranche of Post-Arrangement Nuvo SARs; and
- "**C**" means the number of Post-Arrangement Nuvo SARs that comprise such tranche.

Any of the Participant's Post-Arrangement Nuvo SARs that do not vest pursuant to this Section 8(a) shall automatically terminate and all rights in respect thereof shall expire.

(b) Upon Termination, the Corporation or the relevant Designated Affiliate, as the case may be, shall, within 30 days following such Termination (subject to extension pursuant to Section 13), deliver or cause to be delivered to the Participant (or, in the case of a Termination resulting from the death of a Participant, the estate of the Participant (or such person or persons to whom the rights of the Participant under the Post-Arrangement Nuvo SARs shall pass by the will of the Participant or the laws of descent and distribution)), cash or Shares (or a combination thereof), as determined in accordance with Section 8(c), with an aggregate value equal to the amount, if any, determined, in respect of each outstanding tranche of Post-Arrangement Nuvo SARs, by multiplying:

(i) the positive amount (if any) by which the Fair Market Value of one Share on the date of Termination exceeds the applicable Grant Price; by

(ii) the number of such Termination SARs (the "**Termination Payment Amount**").

For illustration purposes, an example of how to calculate the Termination Payment Amount is provided in Schedule 2. For certainty, if the amount calculated in Section 8(b)(i) is nil or a negative amount, the Participant shall not be entitled to receive any Termination Payment Amount and all of the Participant's outstanding Post-Arrangement Nuvo SARs shall automatically expire.

(c) The Participant shall have the option to elect whether to receive the Termination Payment Amount in cash or Shares (based on the Fair Market Value of the Shares as of the date of the Termination) or a combination thereof, provided that:

(i) if the Participant elects to receive any portion of the Termination Payment Amount in cash, the Corporation shall have the right to satisfy all or any portion of such cash portion in Shares (based on the Fair Market Value of the Shares as of the date of the Termination); and

(ii) notwithstanding anything to the contrary in this Plan, if Shareholder Approval has not been obtained at the time when the Termination Payment Amount is required to be paid, then the Termination Payment Amount shall be paid solely in cash.

(d) Where the terms of an Employment Contract or any other agreement to which the Corporation or its Designated Affiliates is a party relating to a Termination are preferential (from the Participant's perspective) to this Section 8, this Section 8 shall be subject to the provisions of such Employment Contract or other agreement.

(e) If a Participant shall:

(i) cease to be a director of the Corporation, Crescita or any of their respective Designated Affiliates for Cause;

(ii) cease to be employed by the Corporation, Nuvo or any of their respective Designated Affiliates for Cause; or

(iii) cease to be engaged by the Corporation, Nuvo or any of their respective Designated Affiliates as a consultant for Cause,

then any Post-Arrangement Nuvo SARs held by such Participant at such time shall be deemed to have expired as of the effective date of such termination for Cause and the Participant shall not be entitled to receive any consideration in respect thereof unless otherwise determined by the Committee (provided, for certainty, that the Committee's discretion in this regard is absolute).

9. DILUTION OR OTHER ADJUSTMENTS

In the event of a change in capitalization affecting the Shares, such as payment of a stock dividend, a subdivision, consolidation or reclassification of the Shares or other relevant changes in the capital stock of the Corporation, such proportionate adjustments, if any, as the Committee in its sole discretion may deem appropriate to reflect such change shall be made by the Corporation with respect to the aggregate number of Shares in respect of which Post-Arrangement Nuvo SARs were granted and the Grant Price of each such Post-Arrangement Nuvo SAR.

10. CHANGE OF CONTROL

(a) Upon a change of control, any Post-Arrangement Nuvo SARs held by such Participant shall automatically and immediately vest.

(b) Upon a change of control, the Corporation or the relevant Designated Affiliate, as the case may be, shall pay, and the Participant shall be entitled to receive, in cash, within 30 days following the change of control the amount, if any, determined, in respect of each tranche of Post-Arrangement Nuvo SARs, by multiplying:

(i) the positive amount (if any) by which the Fair Market Value of one Share on the change of control exceeds the applicable Grant Price; by

(ii) the number of such outstanding Post-Arrangement Nuvo SARs immediately prior to the change of control (the "**Change of Control Payment Amount**").

(c) For certainty, if the amount calculated in Section 10(b)(i) is nil or a negative amount, the Participant shall not be entitled to receive any Change of Control Payment Amount and all of the Participant's outstanding Post-Arrangement Nuvo SARs shall automatically expire.

For the purposes of this paragraph, "change of control" shall include and shall be deemed to occur when any one or more of the following occurs after the Arrangement Date: (i) the acquisition of more than thirty percent (30%) of the common shares of the Corporation by any person or a group of persons acting jointly or in concert together with a change of thirty percent (30%) or more of the members of the Board of Directors of the Corporation within 12 months thereafter; (ii) a change of control as defined in a Participant's Employment Contract with the Corporation or any of its Designated Affiliates (if applicable); or (iii) a *de facto* change of control, including a consolidation, merger or amalgamation of the Corporation with or into any other corporation whereby the voting shareholders of the Corporation immediately prior to the consolidation, merger or amalgamation receive less than 50% of the voting rights attaching to the voting shares of the consolidated, merged or amalgamated corporation, including a sale whereby all or substantially all of the Corporation's undertakings and assets become the property of any other corporation or any other event which, in the reasonable opinion of the Committee constitutes a change of control;

11. AMENDMENT AND TERMINATION OF PLAN

The terms and conditions of the Plan as herein set forth may be amended, modified or otherwise changed, in whole or in part, in any manner, by the Directors at any time and from time to time, without shareholder approval, provided that:

(a) the Participants shall be advised by the Corporation of any such amendments, modifications or changes, unless they are immaterial or non-substantive;

(b) any such amendments, modifications or changes shall not affect any Post-Arrangement Nuvo SARs then outstanding, unless consented to in writing by the Participant by whom such Post-Arrangement Nuvo SARs are held; and

(c) any such amendments, modifications or changes shall be subject to the approval of the Shareholders of the Corporation if required by applicable laws or the policies of any stock exchange on which the Shares are listed.

The Plan may be terminated or discontinued in whole or in part by the Directors at any time, without prior notice to, or the consent of, the Participants, provided that such termination shall not affect any Post-Arrangement Nuvo SARs then outstanding, unless consented to in writing by the Participant by whom such Post-Arrangement Nuvo SARs are held.

12. PAYMENTS UNDER THE PLAN AND FRACTIONAL SHARES

(a) All payments made under the Plan by the Corporation or any Designated Affiliate (whether satisfied in cash or Shares) shall be made, net of any taxes required to be withheld under applicable legislation and shall, in the case of any cash payment, be made in Canadian dollars, or, if the Participant is normally resident in the United States, in United States dollars at a rate of exchange to be determined by the Corporation or the Designated Affiliate, as the case may be, at the time of payment.

(b) No fractional Shares shall be issued in connection with the vesting of any Post-Arrangement Nuvo SARs. If the Corporation is required or elects to deliver Shares to satisfy a Payment Amount or Termination Payment Amount for any tranche of Post-Arrangement Nuvo SARs held by a Participant and the aggregate Payment

Amount or Termination Payment Amount (net of any required withholdings pursuant to Section 12(a)) cannot be satisfied through the issuance of a whole number of Shares, the Corporation shall pay the portion of the applicable aggregate amount in respect of such tranche that cannot be satisfied through the issuance of whole Shares in cash, subject to the other terms of this Plan.

13. COMPLIANCE WITH STATUTES AND REGULATIONS

The treatment of Post-Arrangement Nuvo SARs under this Plan and the issuance of any Shares shall be carried out in compliance with all applicable statutes and with the regulations of governmental authorities and applicable stock exchanges. If the Committee determines in their discretion that, in order to comply with any such statutes or regulations, certain action is necessary or desirable as a condition of or in connection with this Plan, no payment shall be made or Shares shall be issued in connection with any Post-Arrangement Nuvo SARs until such time as that action has been completed in a manner satisfactory to the Committee. Without limiting the foregoing, the deadline by which any Payment Amount or Termination Payment Amount is required to be satisfied shall be extended to the date that is ten business days following the date upon which the Fair Market Value of the Shares in respect of the Vesting Date, Termination or change of control, as applicable, can be determined.

14. TAXES

A Participant shall be solely responsible for all taxes resulting from his or her receipt of a Crescita Arrangement SAR or cash or Shares pursuant to this Plan, except to the extent that the Corporation has, directly or indirectly, withheld cash for remittance to the statutory authorities. In this regard, the Corporation shall be able to deduct from any payments hereunder (whether satisfied in cash or Shares) or from any other remuneration otherwise payable to a Participant any taxes that are required to be withheld and remitted. For greater certainty, with respect to any payment to be satisfied in Shares hereunder, the Corporation shall have no obligation to deliver such Shares until the Participant makes arrangements, reasonably satisfactory to the Corporation, for the payment and remittance of any taxes required to be withheld and remitted in respect of such payment. Each Participant agrees to indemnify and save the Corporation harmless from any and all amounts payable or incurred by the Corporation or any Designated Affiliate if it is subsequently determined that any greater amount should have been withheld in respect of taxes or any other statutory withholding.

15. RIGHTS AS A SHAREHOLDER

No Participant shall have any rights as a shareholder of the Corporation with respect to any Shares which underlie the Post-Arrangement Nuvo SARs unless and until Shares are delivered to the Participant in accordance with this Plan. No Participant shall be entitled to receive, and no adjustment shall be made for, any regular dividends, distribution or other rights declared for shareholders of the Corporation.

16. GOVERNING LAW

The Plan, the determinations made and actions taken in connection with the Plan, shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

DATED the _____ day of _____, 2016.

NUVO RESEARCH INC.

Per: _____

Per: _____

SCHEDULE 1

PLAN OF ARRANGEMENT

[See above.]

SCHEDULE 2

TERMINATION PAYMENT EXAMPLE

- On January 1, 2014, an employee is granted:
    - 10,000 Post-Arrangement Nuvo SARs with a Grant Price of $1.00 and a Vesting Date of January 1, 2016 (the "**2016 Tranche**"); and
    - 10,000 Post-Arrangement Nuvo SARs with a Grant Price of $1.50 and a Vesting Date of January 1, 2018 (the "**2018 Tranche**").
- On January 1, 2015 the employee is terminated without Cause. The Share price on January 1, 2015 is $2.00.
- The employee's Termination SARs would be calculated as follows:
    - 2016 Tranche:
        - A = 365
        - B = 730
        - C = 10,000

    Number of vested Post-Arrangement Nuvo SARs per Section 8(a) (i.e. Termination SARs): (365 / 730) × 10,000 = 5,000 Nuvo Arrangements SARs

    - 2018 Tranche:
        - A = 365
        - B = 1,460
        - C = 10,000

    Number of vested Post-Arrangement Nuvo SARs per Section 8(a) (i.e. Termination SARs): (365 / 1460) × 10,000 = 2,500 Post-Arrangement Nuvo SARs

- The employee's Termination Payment Amount would be calculated as follows:
    - 2016 Tranche:
        - Appreciation of Post-Arrangement Nuvo SARs = $2.00 – $1.00 = $1.00
        - Number of Termination SARs = 5,000

    Termination Payment Amount per Section 8(a): $1.00 × 5,000 = $5,000

    - 2018 Tranche:
        - Appreciation of Post-Arrangement Nuvo SARs = $2.00 – $1.50 = $0.50
        - Number of Termination SARs = 2,500

    Termination Payment Amount per Section 8(a): $0.50 × 2,500 = $1,250

EXHIBIT V

Crescita SARs Plan

CRESCITA THERAPEUTICS INC.

SHARE APPRECIATION RIGHTS PLAN

1. DEFINITIONS

As used herein:

(a) "**Act**" means the Business Corporations Act (Ontario) or its successor, as amended from time to time;

(b) "**Arrangement Date**" has the meaning given to it in the Plan of Arrangement;

(c) "**Arrangement Time**" has the meaning given to it in the Plan of Arrangement;

(d) "**Blackout Period**" means the period during which designated directors, officers and employees of the Corporation are required to not trade Shares pursuant to the Corporation's policies respecting restrictions on directors', officers' and employee trading in effect from time to time;

(e) "**Cause**" means cause, as such term is interpreted from time to time by the courts of the applicable jurisdiction of employment of the applicable Participant, or, where cause (or a synonymous concept) is defined in the Employment Contract of such Participant, as so defined;

(f) "**Committee**" means the Directors or, if so designated by the Directors to administer the Plan, the committee of the Directors authorized to administer the Plan (provided that such committee of the Board shall be comprised of no less than three Directors);

(g) "**Corporation**" means, prior to the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Plan of Arrangement, 2487001 Ontario Limited, a corporation incorporated under the Act, and from and after the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Arrangement, Crescita Therapeutics Inc., the corporation under the Act formed by the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Plan of Arrangement, and its successors;

(h) "**Crescita**" means Crescita Therapeutics Inc., a corporation formed under the Act;

(i) "**Crescita Arrangement SARs**" means the share appreciation rights granted to Participants under this Plan pursuant to the Plan of Arrangement in partial exchange for Outstanding Nuvo SARs, and "**Crescita Arrangement SAR**" means any one of them;

(j) "**Crescita Participant**" means a person who receives Crescita Arrangement SARs pursuant to the Plan of Arrangement and who, immediately following the Arrangement Time, is a director, employee or officer (including both full-time and part-time employees) of Crescita or one of its Designated Affiliates, any person or corporation engaged to provide ongoing management or consulting services for Crescita or a Designated Affiliate, or any employee of such person or corporation;

(k) "**Designated Affiliate**" means (a) in respect of the Corporation, the affiliates of the Corporation designated by the Committee for purposes of this Plan from time to time, and (b) in respect of Nuvo, the affiliates of Nuvo designated by the board of directors of Nuvo (or a duly authorized committee thereof) for the purposes of the Nuvo SARs Plan;

(l) "**Directors**" means the board of directors of the Corporation from time to time;

(m) "**Employment Contract**" means any contract between the Corporation, Nuvo or any of their respective Designated Affiliates and any Participant relating to, or entered into in connection with, the employment of an employee, the appointment or election of a director or the engagement of a consultant or any other agreement to which the Corporation, Nuvo or any of their respective Designated Affiliates is a party with respect to the rights of such Participant in respect of a change in control of the Corporation or Nuvo or the

termination of employment, appointment, election or engagement of such Participant with the Corporation, Nuvo or any of their respective Designated Affiliates;

(n) "**Fair Market Value**" with respect to the Shares as of a specified date, means the closing price of the Shares on the Toronto Stock Exchange on the last trading day on which the Shares traded prior to such date; provided that if such date falls within a Blackout Period, the Fair Market Value of the Shares shall be the closing price of the Shares on the Toronto Stock Exchange on the fifth trading day following the expiration of such Blackout Period or subject to the approval of the Toronto Stock Exchange, such other later date as the Committee shall determine;

(o) "**Grant**" means a grant of Crescita Arrangement SARs to a Participant pursuant to the terms of the Plan of Arrangement;

(p) "**Grant Confirmation**" means, with respect to a Crescita Arrangement SAR, the written confirmation provided to the Participant for the Outstanding Nuvo SAR that was exchanged, in part, for such Crescita Arrangement SAR pursuant to the Plan of Arrangement;

(q) "**Grant Date**" means, with respect to a particular Grant, the date of the applicable Grant Confirmation;

(r) "**Grant Price**" means the grant price attributable to each Crescita Arrangement SAR of a particular tranche, determined in accordance with the Plan of Arrangement and described in Section 2(c);

(s) "**Nuvo**" means Nuvo Research Inc., a corporation formed under the Act, which, pursuant to the Plan of Arrangement, will change its name from "Nuvo Research Inc." to "Nuvo Pharmaceuticals Inc.", and its successors;

(t) "**Nuvo Participant**" means a person who receives Crescita Arrangement SARs pursuant to the Plan of Arrangement and who, immediately following the Arrangement Time, is a director, employee or officer (including both full-time and part-time employees) of Nuvo or one of its Designated Affiliates, any person or corporation engaged to provide ongoing management or consulting services for Nuvo or a Designated Affiliate, or any employee of such person or corporation;

(u) "**Nuvo SARs Plan**" means Nuvo's share appreciation rights plan, as amended and restated from time to time (including pursuant to the Plan of Arrangement);

(v) "**Outstanding Nuvo SARs**" means the share appreciation rights issued under the predecessor to the Nuvo SARs Plan that were outstanding immediately prior to the Arrangement Time;

(w) "**Participants**" means the Crescita Participants and the Nuvo Participants;

(x) "**Plan**" means this Share Appreciation Rights Plan, as amended and restated from time to time;

(y) "**Plan of Arrangement**" means the plan of arrangement proposed under Section 182 of the Act, a copy of which is attached as Schedule 1;

(z) "**Shares**" means the common shares in the capital of the Corporation;

(aa) "**Shareholder Approval**" means approval of this Plan by the shareholders of Nuvo prior to the Arrangement Date or approval by shareholders of the Corporation following the Arrangement Date, in either case in accordance with the policies of the Toronto Stock Exchange; and

(bb) "**Vesting Date**" means, with respect to a Crescita Arrangement SAR, the date or dates on which such Crescita Arrangement SAR vests, as set out in the applicable Grant Confirmation.

2. PLAN OF ARRANGEMENT

(a) Pursuant to the terms of the Plan of Arrangement, this Plan shall be assumed by Crescita Therapeutics Inc. on the Arrangement Date at the time provided for in the Plan of Arrangement. Accordingly, at and after such time, references to the "Corporation" in this Plan shall be deemed to be references to Crescita Therapeutics Inc.

(b) For all purposes under this Plan, Crescita Arrangement SARs granted in exchange for Outstanding Nuvo SARs pursuant to the Plan of Arrangement shall be deemed to have been granted under and shall be subject to, this Plan, and shall also be deemed to be a continuation of the Outstanding Nuvo SARs for which they were exchanged pursuant to the Plan of Arrangement. Accordingly, the date on which a Crescita Arrangement SAR is Granted for purposes of this Plan shall be deemed to be the date of the grant of the Outstanding Nuvo SAR for which such Crescita Arrangement SAR was exchanged pursuant to the Plan of Arrangement, notwithstanding that this Plan was not effective at such time.

(c) The Grant Price for each Crescita Arrangement SAR shall be deemed for all purposes of this Plan to be an amount equal to the product obtained by multiplying (i) the original grant price of the Outstanding Nuvo Option for which such Crescita Arrangement SAR was exchanged as part of the Plan of Arrangement, by (ii) the Butterfly Proportion (as such term is defined in the Plan of Arrangement).

3. ADMINISTRATION OF THE PLAN

The Plan shall be administered by the Committee and the Committee shall have full authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary or desirable in order to comply with the requirements of the Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary or desirable for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the administration of the Plan shall be for the account of the Corporation.

4. GRANT OF SHARE APPRECIATION RIGHTS

(a) All Crescita Arrangement SARs shall be subject to the terms and conditions of this Plan.

(b) No rights other than the Crescita Arrangement SARs granted pursuant to the Plan of Arrangement shall be granted pursuant to this Plan.

(c) Crescita Arrangement SARs shall vest at such times and to the extent set forth in the Grant Confirmation to which they relate.

5. SHARES RESERVED FOR ISSUANCE

Subject to receipt of Shareholder Approval, the maximum number of Shares reserved for issuance under this this Plan shall be fixed at 495,093.

6. VESTING OF SHARE APPRECIATION RIGHTS AND PAYMENT

(a) Subject to Sections 8 and 10, each tranche of Crescita Arrangement SARs Granted to a Participant shall vest as of the applicable Vesting Date specified in the applicable Grant Confirmation and shall be payable (if applicable) in accordance with Section 6(b).

(b) Upon the vesting of a tranche of Crescita Arrangement SARs, as set out in the applicable Grant Confirmation, the Corporation or the relevant Designated Affiliate, as the case may be, shall, within 30 days following the applicable Vesting Date (subject to extension pursuant to Section 13), deliver or cause to be delivered to the Participant cash or Shares (or a combination thereof), as determined in accordance with Section 6(c), with an aggregate value equal to the amount, if any, determined, in respect of such tranche of Crescita Arrangement SARs, by multiplying:

(i) the positive amount (if any) by which the Fair Market Value of one Share as of the applicable Vesting Date exceeds the applicable Grant Price; by

(ii) the number of such vested Crescita Arrangement SARs (the "**Payment Amount**").

For certainty, if the amount calculated in Section 6(b)(i) is nil or a negative amount, the Participant shall not be entitled to receive any Payment Amount (either in cash or Shares) in respect of such Crescita Arrangement SARs and the applicable Crescita Arrangement SARs shall automatically terminate and all rights in respect thereof shall expire.

(c) The Participant shall have the option to elect whether to receive the Payment Amount in cash or Shares (based on the Fair Market Value of the Shares as of the applicable Vesting Date) or a combination thereof, provided that:

(i) if the Participant elects to receive any portion of the Payment Amount in cash, the Corporation shall have the right to satisfy all or any portion of such cash portion in Shares (based on the Fair Market Value of the Shares as of the applicable Vesting Date); and

(ii) notwithstanding anything to the contrary in this Plan, if Shareholder Approval has not been obtained at the time when the Payment Amount is required to be paid, then the Payment Amount shall be paid solely in cash.

7. TRANSFERABILITY

The right to receive the Payment Amount (either in cash or Shares, as determined by the Corporation) pursuant to vested Crescita Arrangement SARs granted to a Participant may only be conferred to a Participant personally or, upon the Participant's death, the legal representative of his or her estate or any other person who acquires his or her rights in respect of a Crescita Arrangement SAR by bequest or inheritance. Except as otherwise provided in this Plan, no assignment, sale, transfer, pledge or charge of a Crescita Arrangement SAR, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Crescita Arrangement SAR whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such Crescita Arrangement SAR shall terminate and be of no further force or effect.

8. TERMINATION

(a) If a Participant shall at any time:

(i) no longer be a director of any of the Corporation, Nuvo or any of their respective Designated Affiliates (and is not or does not continue to be an employee or consultant thereof) for any reason (other than for Cause but, for certainty, including death or disability);

(ii) no longer be employed by any of the Corporation, Nuvo or any of of their respective Designated Affiliates (and is not or does not continue to be a director or consultant thereof) for any reason (other than for Cause but, for certainty, including death or disability); or

(iii) no longer be engaged by any of the Corporation, Nuvo or any of their respective Designated Affiliates as a consultant (and is not or does not continue to be a director or employee thereof) for any reason (other than for Cause but, for certainty, including death or disability),

(collectively, a "**Termination**"), then there shall be an automatic acceleration of vesting of such number of the Participant's outstanding Crescita Arrangement SARs (the "**Termination SARs**") as determined in accordance with the following formula (calculated separately for each outstanding tranche of Crescita Arrangement SARs):

$$(A / B) \times C$$

where,

- "**A**" means the number of days comprising the period from the Grant Date up to, and including, the date of Termination (which, in the case of the death of a Participant, shall be the date of death);
- "**B**" means the number of days comprising the period from the Grant Date up to, and including, the Vesting Date in respect of such tranche of Crescita Arrangement SARs; and
- "**C**" means the number of Crescita Arrangement SARs that comprise such tranche.

Any of the Participant's Crescita Arrangement SARs that do not vest pursuant to this Section 8(a) shall automatically terminate and all rights in respect thereof shall expire.

(b) Upon Termination, the Corporation or the relevant Designated Affiliate, as the case may be, shall, within 30 days following such Termination (subject to extension pursuant to Section 13), deliver or cause to be delivered to the Participant (or, in the case of a Termination resulting from the death of a Participant, the estate of the Participant (or such person or persons to whom the rights of the Participant under the Crescita Arrangement SARs shall pass by the will of the Participant or the laws of descent and distribution)) cash or Shares (or a combination thereof), as determined in accordance with Section 8(c), with an aggregate value equal to the amount , if any, determined, in respect of each outstanding tranche of Crescita Arrangement SARs, by multiplying:

(i) the positive amount (if any) by which the Fair Market Value of one Share on the date of Termination exceeds the applicable Grant Price; by

(ii) the number of such Termination SARs (the "**Termination Payment Amount**").

For illustration purposes, an example of how to calculate the Termination Payment Amount is provided in Schedule 2. For certainty, if the amount calculated in Section 8(b)(i) is nil or a negative amount, the Participant shall not be entitled to receive any Termination Payment Amount and all of the Participant's outstanding Crescita Arrangement SARs shall automatically expire.

(c) The Participant shall have the option to elect whether to receive the Termination Payment Amount in cash or Shares (based on the Fair Market Value of the Shares as of the date of the Termination) or a combination thereof, provided that

(i) if the Participant elects to receive any portion of the Termination Payment Amount in cash, the Corporation shall have the right to satisfy all or any portion of such cash portion in Shares (based on the Fair Market Value of the Shares as of the date of the Termination); and

(ii) notwithstanding anything to the contrary in this Plan, if Shareholder Approval has not been obtained at the time when the Termination Payment Amount is required to be paid, then the Termination Payment Amount shall be paid solely in cash.

(d) Where the terms of an Employment Contract or any other agreement to which the Corporation or its Designated Affiliates is a party relating to a Termination are preferential (from the Participant's perspective) to this Section 8, this Section 8 shall be subject to the provisions of such Employment Contract or other agreement.

(e) If a Participant shall:

(i) cease to be a director of the Corporation, Nuvo or any of their respective Designated Affiliates for Cause;

(ii) cease to be employed by the Corporation, Nuvo or any of their respective Designated Affiliates for Cause; or

(iii) cease to be engaged by the Corporation, Nuvo or any of their respective Designated Affiliates as a consultant for Cause,

then any Crescita Arrangement SARs held by such Participant at such time shall be deemed to have expired as of the effective date of such termination for Cause and the Participant shall not be entitled to receive any consideration in respect thereof unless otherwise determined by the Committee (provided, for certainty, that the Committee's discretion in this regard is absolute).

9. DILUTION OR OTHER ADJUSTMENTS

In the event of a change in capitalization affecting the Shares, such as payment of a stock dividend, a subdivision, consolidation or reclassification of the Shares or other relevant changes in the capital stock of the Corporation, such proportionate adjustments, if any, as the Committee in its sole discretion may deem appropriate to reflect such change shall be made by the Corporation with

respect to the aggregate number of Shares in respect of which Crescita Arrangement SARs were granted and the Grant Price of each such Crescita Arrangement SAR.

10. CHANGE OF CONTROL

(a) Upon a change of control, any Crescita Arrangement SARs held by such Participant shall automatically and immediately vest.

(b) Upon a change of control, the Corporation or the relevant Designated Affiliate, as the case may be, shall pay, and the Participant shall be entitled to receive, in cash, within 30 days following the change of control the amount, if any, determined, in respect of each tranche of Crescita Arrangement SARs, by multiplying:

(i) the positive amount (if any) by which the Fair Market Value of one Share on the change of control exceeds the applicable Grant Price; by

(ii) the number of such outstanding Crescita Arrangement SARs immediately prior to the change of control (the "**Change of Control Payment Amount**").

(c) For certainty, if the amount calculated in Section 10(b)(i) is nil or a negative amount, the Participant shall not be entitled to receive any Change of Control Payment Amount and all of the Participant's outstanding Crescita Arrangement SARs shall automatically expire.

For the purposes of this paragraph, "change of control" shall include and shall be deemed to occur when any one or more of the following occurs after the Arrangement Date: (i) the acquisition of more than thirty percent (30%) of the common shares of the Corporation by any person or a group of persons acting jointly or in concert together with a change of thirty percent (30%) or more of the members of the Board of Directors of the Corporation within 12 months thereafter; (ii) a change of control as defined in a Participant's Employment Contract with the Corporation or any of its Designated Affiliates (if applicable); or (iii) a *de facto* change of control, including a consolidation, merger or amalgamation of the Corporation with or into any other corporation whereby the voting shareholders of the Corporation immediately prior to the consolidation, merger or amalgamation receive less than 50% of the voting rights attaching to the voting shares of the consolidated, merged or amalgamated corporation, including a sale whereby all or substantially all of the Corporation's undertakings and assets become the property of any other corporation or any other event which, in the reasonable opinion of the Committee constitutes a change of control;

11. AMENDMENT AND TERMINATION OF PLAN

The terms and conditions of the Plan as herein set forth may be amended, modified or otherwise changed, in whole or in part, in any manner, by the Directors at any time and from time to time, without shareholder approval, provided that:

(a) the Participants shall be advised by the Corporation of any such amendments, modifications or changes, unless they are immaterial or non-substantive;

(b) any such amendments, modifications or changes shall not affect any Crescita Arrangement SARs then outstanding, unless consented to in writing by the Participant by whom such Crescita Arrangement SARs are held; and

(c) any such amendments, modifications or changes shall be subject to the approval of the Shareholders of the Corporation if required by applicable laws or the policies of any stock exchange on which the Shares are listed.

The Plan may be terminated or discontinued in whole or in part by the Directors at any time, without prior notice to, or the consent of, the Participants, provided that such termination shall not affect any Crescita Arrangement SARs then outstanding, unless consented to in writing by the Participant by whom such Crescita Arrangement SARs are held.

12. PAYMENTS UNDER THE PLAN AND FRACTIONAL SHARES

(a) All payments made under the Plan by the Corporation or any Designated Affiliate (whether satisfied in cash or Shares) shall be made, net of any taxes required to be withheld under applicable legislation and, in the case of any cash payment, be made in Canadian dollars, or, if the Participant is normally resident in the United States, in United States dollars at a rate of exchange to be determined by the Corporation or the Designated Affiliate, as the case may be, at the time of payment.

(b) No fractional Shares shall be issued in connection with the vesting of any Crescita Arrangement SARs. If the Corporation is required or elects to deliver Shares to satisfy a Payment Amount or Termination Payment Amount for any tranche of Crescita Arrangement SARs held by a Participant and the aggregate Payment Amount or Termination Payment Amount (net of any required withholdings pursuant to Section 12(a)) cannot be satisfied through the issuance of a whole number of Shares, the Corporation shall pay the portion of the applicable aggregate amount in respect of such tranche that cannot be satisfied through the issuance of whole Shares in cash, subject to the other terms of this Plan.

13. COMPLIANCE WITH STATUTES AND REGULATIONS

The treatment of Crescita Arrangement SARs under this Plan and the issuance of any Shares shall be carried out in compliance with all applicable statutes and with the regulations of governmental authorities and applicable stock exchanges. If the Committee determines in their discretion that, in order to comply with any such statutes or regulations, certain action is necessary or desirable as a condition of or in connection with this Plan, no payment shall be made or Shares shall be issued in connection with any Crescita Arrangement SARs until such time as that action has been completed in a manner satisfactory to the Committee. Without limiting the foregoing, the deadline by which any Payment Amount or Termination Payment Amount is required to be satisfied shall be extended to the date that is ten business days following the date upon which the Fair Market Value of the Shares in respect of the Vesting Date, Termination or change of control, as applicable, can be determined.

14. TAXES

A Participant shall be solely responsible for all taxes resulting from his or her receipt of a Crescita Arrangement SAR or cash or Shares pursuant to this Plan, except to the extent that the Corporation has, directly or indirectly, withheld cash for remittance to the statutory authorities. In this regard, the Corporation shall be able to deduct from any payments hereunder (whether satisfied in cash or Shares) or from any other remuneration otherwise payable to a Participant any taxes that are required to be withheld and remitted. For greater certainty, with respect to any payment to be satisfied in Shares hereunder, the Corporation shall have no obligation to deliver such Shares until the Participant makes arrangements, reasonably satisfactory to the Corporation, for the payment and remittance of any taxes required to be withheld and remitted in respect of such payment. Each Participant agrees to indemnify and save the Corporation harmless from any and all amounts payable or incurred by the Corporation or any Designated Affiliate if it is subsequently determined that any greater amount should have been withheld in respect of taxes or any other statutory withholding.

15. RIGHTS AS A SHAREHOLDER

No Participant shall have any rights as a shareholder of the Corporation with respect to any Shares which underlie the Crescita Arrangement SARs unless and until Shares are delivered to the Participant in accordance with this Plan. No Participant shall be entitled to receive, and no adjustment shall be made for, any regular dividends, distribution or other rights declared for shareholders of the Corporation.

16. GOVERNING LAW

The Plan, the determinations made and actions taken in connection with the Plan, shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

DATED the _____ day of _____, 2016.

CRESCITA THERAPEUTICS INC.

Per: _____

Authorized Signatory

SCHEDULE 1

PLAN OF ARRANGEMENT

[See above.]

SCHEDULE 2

TERMINATION PAYMENT EXAMPLE

- On January 1, 2014, an employee is granted:
    - 10,000 Crescita Arrangement SARs with a Grant Price of $1.00 and a Vesting Date of January 1, 2016 (the "**2016 Tranche**"); and
    - 10,000 Crescita Arrangement SARs with a Grant Price of $1.50 and a Vesting Date of January 1, 2018 (the "**2018 Tranche**").
- On January 1, 2015 the employee is terminated without Cause. The Share price on January 1, 2015 is $2.00.
- The employee's Termination SARs would be calculated as follows:
    - 2016 Tranche:
        - A = 365
        - B = 730
        - C = 10,000

    Number of vested Crescita Arrangement SARs per Section 8(a) (i.e. Termination SARs): (365 / 730) × 10,000 = 5,000 Crescita Arrangement SARs

    - 2018 Tranche:
        - A = 365
        - B = 1,460
        - C = 10,000

    Number of vested Crescita Arrangement SARs per Section 8(a) (i.e. Termination SARs): (365 / 1460) × 10,000 = 2,500 Crescita Arrangement SARs

- The employee's Termination Payment Amount would be calculated as follows:
    - 2016 Tranche:
        - Appreciation of Crescita Arrangement SARs = $2.00 – $1.00 = $1.00
        - Number of Termination SARs = 5,000

    Termination Payment Amount per Section 8(a): $1.00 × 5,000 = $5,000

    - 2018 Tranche:
        - Appreciation of Crescita Arrangement SARs = $2.00 – $1.50 = $0.50
        - Number of Termination SARs = 2,500

    Termination Payment Amount per Section 8(a): $0.50 × 2,500 = $1,250

EXHIBIT VI

Subsequent Amendment to the Articles of
Nuvo Research Inc.

The Articles of Nuvo Research Inc. (the "**Corporation**") are amended as follows in accordance with the provisions of the plan of arrangement involving the Corporation, its shareholders, 2487001 Ontario Limited and 2487002 Ontario Limited under section 182 of the *Business Corporations Act* (Ontario) (the "**Plan of Arrangement**"):

(i) to decrease the authorized capital of the Corporation by cancelling all the Special Shares (referred to as "Nuvo Butterfly Shares" in the Plan of Arrangement), whether issued or unissued;

(ii) to decrease the authorized capital of the Corporation by cancelling all the Class A Common Shares, whether issued or unissued;

(iii) to delete section 7 of the Articles of the Corporation in its entirety and replace it with the following to give effect to the foregoing: "The Corporation is authorized to issue an unlimited number of shares to be designated as First Preference Shares, issuable in series, an unlimited number of shares to be designated as Second Preference Shares, issuable in series, and an unlimited number of shares to be designated as Common Shares.";

(iv) to change the name of the Corporation from "Nuvo Research Inc." to "Nuvo Pharmaceuticals Inc."; and

(v) to delete Schedule 1 annexed to the Articles of the Corporation in its entirety and replace it with the following Schedule 1:

"**Schedule 1**

ARTICLE 1
INTERPRETATION

1.01 References to " Act": In this schedule, as from time to time amended, unless there is something in the context inconsistent herewith, "Act" means the *Business Corporations Act* (Ontario), or its successor, as amended from time to time.

1.02 Headings, Gender, Number: This schedule as from time to time amended, shall be read without regard to paragraph headings, which are included for ease of reference only, and with all changes in gender and number required by the context.

ARTICLE 2
COMMON SHARES

The Common Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

2.01 Votes: The holders of Common Shares are entitled to receive notice of, and to attend, all meetings of shareholders of the Corporation, except meetings at which only holders of another specified class or series of shares are entitled to vote. The holders of Common Shares are entitled to one vote for each one Common Share held on all polls taken at such meetings.

2.02 Dividends: Subject to the prior rights, privileges, restrictions and conditions attaching to the First Preference Shares and the Second Preference Shares, or any series thereof, respectively, and the shares of any other class ranking senior to the Common Shares, the holders of Common Shares shall be entitled to receive dividends as and when declared by the directors of the Corporation.

2.03 Liquidation: In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of the property and assets of the Corporation for the purpose of winding up the affairs of the Corporation, holders of Common Shares shall, after payment to the holders of First Preference Shares, Second Preference

Shares and shares of any other class ranking senior to the Common Shares of the amount payable to them, be entitled to receive the remaining property and assets of the Corporation.

2.04 Limitation: Subject to the provisions of the Act, the holders of Common Shares shall not be entitled to vote separately on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:

(a) increase or decrease any maximum number of authorized Common Shares, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the Common Shares;

(b) effect an exchange, reclassification or cancellation of all or part of the Common Shares; or

(c) create a new class of shares or series equal or superior to the Common Shares.

ARTICLE 3
FIRST PREFERENCE SHARES

The First Preference Shares shall have attached thereto, as a class, the following rights, privileges, restrictions and conditions:

3.01 Directors' Right to Issue in One or More Series: The First Preference Shares may at any time and from time to time be issued in one or more series. Prior to the issue of First Preference Shares of any series, the directors of the Corporation shall, subject to the rights, privileges, restrictions and conditions attached to the First Preference Shares as a class, the articles of the Corporation and the provisions of the Act, by resolution amend the articles of the Corporation to fix the number of First Preference Shares in such series and determine the designation of, and the rights, privileges, restrictions and conditions attached to, the First Preference Shares of such series including, without limitation:

(a) the rate, amount or method of calculation of any dividends and whether any dividends are subject to adjustment;

(b) whether any dividends are cumulative, partly cumulative or non-cumulative;

(c) the dates, manner and currency of payments of any dividends and the date from which any dividends accrue or become payable;

(d) if redeemable or purchasable (whether at the option of the Corporation or the holder or otherwise), the redemption or purchase prices and currency or currencies thereof and the terms and conditions of redemption or purchase, with or without any provision for sinking or similar funds;

(e) the voting rights, if any;

(f) any conversion, exchange or reclassification rights; and

(g) any other terms not inconsistent with these provisions;

the whole subject to receipt by the Director appointed under the Act of articles of amendment designating and fixing the number of First Preference Shares in such series and setting forth the rights, privileges, restrictions and conditions attached thereto and the issue by the Director of a certificate of amendment with respect thereto.

3.02 Ranking of First Preference Shares of Each Series: The First Preference Shares of each series shall, with respect to the payment of dividends and the distribution of the assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation for the purpose of winding-up its affairs, rank (a) on a parity with the First Preference Shares of every other series and (b) senior to, and shall be entitled to a preference over, the Second Preference Shares, the Common Shares, and the shares of any other class ranking junior to the First Preference Shares. The First Preference Shares of any series shall also be entitled to such other preferences, not inconsistent with these provisions, over the Second Preference Shares, the Common Shares, and the shares of any other class ranking junior to the First Preference Shares as may be fixed in accordance with 3.01 hereof.

3.03 Voting Rights: Except as hereinafter specifically provided, as required by the Act or in accordance with any voting rights which may be attached to any series of First Preference Shares, the holders of First Preference Shares shall not be entitled as such to receive notice of, or to attend, any meeting of shareholders of the Corporation and shall not be entitled to vote at any such meeting; provided however that the holders of First Preference Shares shall be entitled to receive notice of meetings of shareholders of the Corporation called for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all of the property of the Corporation other than in the ordinary course of business of the Corporation.

3.04 Amendment with Approval of Holders of First Preference Shares: The rights, privileges, restrictions and conditions attached to the First Preference Shares as a class may be added to, removed or changed only with the approval of the holders of First Preference Shares given in accordance with the requirements of the Act and the minimum requirement provided in 3.05 hereof.

3.05 Approval of Holders of First Preference Shares: The approval of the holders of First Preference Shares as a class to any matters referred to in these provisions may be given as specified below:

(a) Approval and Quorum: Any approval required to be given by the holders of First Preference Shares shall be deemed to have been sufficiently given if it shall have been given by a resolution signed by all of the holders of the then outstanding First Preference Shares or by a resolution passed by the affirmative vote of not less than two-thirds of the votes cast by holders of First Preference Shares who voted in respect of that resolution at a meeting of the holders of First Preference Shares called and held for such purpose in accordance with the by-laws of the Corporation at which holders of not less than one-tenth of the then outstanding First Preference Shares are present in person or represented by proxy; provided that, if at any such meeting a quorum is not present within one-half hour after the time appointed for such meeting, the meeting shall be adjourned to the same day in the next week at the same time and to such place as the chairman of the meeting may determine and, subject to the provisions of the Act, it shall not be necessary to give notice of such adjourned meeting. At such adjourned meeting the holders of First Preference Shares present in person or represented by proxy shall constitute a quorum and may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast by holders of First Preference Shares at such meeting shall constitute the approval of the holders of First Preference Shares.

(b) Votes: On every poll taken at any meeting in respect of which only the holders of First Preference Shares of more than one series are entitled to vote, each holder of First Preference Shares shall be entitled to one vote in respect of the greater of (i) each $1.00 of stated capital added to the appropriate stated capital account of the Corporation in respect of the issue of each such share and (ii) each $1.00 of the liquidation preference or redemption preference (excluding any amount payable in respect of declared but unpaid or accrued but unpaid dividends) attached to each such share (and if the liquidation preference and redemption preference are not the same at the applicable time, then the greater of the two).

Subject to the foregoing, the formalities to be observed with respect to proxies, the giving or waiving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed in the Act and the by-laws of the Corporation with respect to meetings of shareholders.

3.06 Shares Issued in Series with Identical Rights: Where First Preference Shares are issued in more than one series with identical rights, privileges, restrictions, conditions and designations attached thereto, all such series of First Preference Shares shall rank *pari passu* and participate equally and proportionately without discrimination or preference as if all such series of First Preference Shares had been issued simultaneously and all such series of First Preference Shares may be designated as one series.

3.07 Limitation: Subject to the provisions of the Act, the holders of First Preference Shares or any series thereof shall not, unless the rights, privileges, restrictions and conditions attached to the First Preference Shares as a class or to any particular series thereof provide to the contrary, be entitled to vote separately as a class or series on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:

(a) increase or decrease any maximum number of authorized First Preference Shares or any series thereof, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the First Preference Shares or any series thereof;

(b) effect an exchange, reclassification or cancellation of all or part of the First Preference Shares or any series thereof; or

(c) create a new class or series of shares equal or superior to the First Preference Shares or any series thereof.

ARTICLE 4
SECOND PREFERENCE SHARES

The Second Preference Shares shall have attached thereto, as a class, the following rights, privileges, restrictions and conditions:

4.01 Directors' Right to Issue in One or More Series: The Second Preference Shares may at any time and from time to time be issued in one or more series. Prior to the issue of Second Preference Shares of any series, the directors of the Corporation shall, subject to the rights, privileges, restrictions and conditions attached to the Second Preference Shares as a class, the articles of the Corporation and the provisions of the Act, by resolution amend the articles of the Corporation to fix the number of Second Preference Shares in such series and determine the designation of, and the rights, privileges, restrictions and conditions attached to, the Second Preference Shares of such series including, without limitation:

(a) the rate, amount or method of calculation of any dividends and whether any dividends are subject to adjustment;

(b) whether any dividends are cumulative, partly cumulative or non-cumulative;

(c) the dates, manner and currency of any payments of dividends and the date from which any dividends accrue or become payable;

(d) if redeemable or purchasable (whether at the option of the Corporation or the holder or otherwise), the redemption or purchase prices and currency or currencies thereof and the terms and conditions of redemption or purchase, with or without any provision for sinking or similar funds;

(e) the voting rights, if any;

(f) any conversion, exchange or reclassification rights; and

(g) any other terms not inconsistent with these provisions;

the whole subject to receipt by the Director appointed under the Act of articles of amendment designating and fixing the number of Second Preference Shares in such series and setting forth the rights, privileges, restrictions and conditions attached thereto and the issue by the Director of a certificate of amendment with respect thereto.

4.02 Ranking of Second Preference Shares of Each Series: The Second Preference Shares of each series shall, with respect to the payment of dividends and the distribution of the assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation for the purpose of winding-up its affairs, rank (a) junior and subordinate to the First Preference Shares, (b) on a parity with the Second Preference Shares of every other series and (c) senior to, and shall be entitled to a preference over, the Common Shares and the shares of any other class ranking junior to the Second Preference Shares. The Second Preference Shares of any series shall also be entitled to such other preferences, not inconsistent with these provisions, over the Common Shares, and the shares of any other class ranking junior to the Second Preference Shares as may be fixed in accordance with 4.01 hereof.

4.03 Voting Rights: Except as hereinafter specifically provided, as required by the Act or in accordance with any voting rights which may be attached to any series of Second Preference Shares, the holders of Second Preference Shares shall not be entitled as such to receive notice of, or to attend, any meeting of shareholders of the Corporation and shall not be entitled to vote at any such meeting; provided however that the holders of Second Preference Shares shall be entitled to receive notice of meetings of shareholders of the Corporation called for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all of the property of the Corporation other than in the ordinary course of business of the Corporation.

4.04 Amendment with Approval of Holders of Second Preference Shares: The rights, privileges, restrictions and conditions attached to the Second Preference Shares as a class may be added to, removed or changed only with the approval of the holders of Second Preference Shares given in accordance with the requirements of the Act and the minimum requirement provided in 4.05 hereof.

4.05 Approval of Holders of Second Preference Shares: The approval of the holders of Second Preference Shares as a class to any matters referred to in these provisions may be given as specified below:

(a) Approval and Quorum: Any approval required to be given by the holders of Second Preference Shares shall be deemed to have been sufficiently given if it shall have been given by a resolution signed by all of the holders of the then outstanding Second Preference Shares or by a resolution passed by the affirmative vote of not less than two-thirds of the votes cast by holders of Second Preference Shares who voted in respect of that resolution at a meeting of the holders of Second Preference Shares called and held for that purpose in accordance with the by-laws of the Corporation at which holders of not less than one-tenth of the then outstanding Second Preference Shares are present in person or represented by proxy; provided that, if at any such meeting a quorum is not present within one- half hour after the time appointed for such meeting, the meeting shall be adjourned to the same day in the next week at the same time and to such place as the chairman of the meeting may determine and, subject to the provisions of the Act, it shall not be necessary to give notice of such adjourned meeting. At such adjourned meeting the holders of Second Preference Shares present in person or represented by proxy shall constitute a quorum and may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast at such meeting shall constitute the approval of the holders of Second Preference Shares.

(b) Votes: On every poll taken at any meeting in respect of which only the holders of the Second Preference Shares of more than one series are entitled to vote, each holder of Second Preference Shares shall be entitled to one vote in respect of the greater of (i) each $1.00 of stated capital added to the appropriate stated capital account of the Corporation in respect of the issue of each such share and (ii) each $1.00 of the liquidation preference or redemption preference (excluding any amount payable in respect of declared but unpaid or accrued but unpaid dividends) attached to each such share (and if the liquidation preference and redemption preference are not the same at the applicable time, then the greater of the two).

Subject to the foregoing, the formalities to be observed with respect to proxies, the giving or waiving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed in the Act and the by-laws of the Corporation with respect to meetings of shareholders.

4.06 Shares Issued in Series with Identical Rights: Where Second Preference Shares are issued in more than one series with identical rights, privileges, restrictions, conditions and designations attached thereto, all such series of Second Preference Shares shall rank *pari passu* and participate equally and proportionately without discrimination or preference as if all such series of Second Preference Shares had been issued simultaneously and all such series of Second Preference Shares may be designated as one series.

4.07 Limitation: Subject to the provisions of the Act, the holders of Second Preference Shares or any series thereof shall not, unless the rights, privileges, restrictions and conditions attached to the Second Preference Shares as a class or to any particular series thereof provide to the contrary, be entitled to vote separately as a class or series on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:

(a) increase or decrease any maximum number of authorized Second Preference Shares or any series thereof, or increase any maximum number of authorized shares of a class or any series having rights or privileges equal or superior to the Second Preference Shares or any series thereof;

(b) effect an exchange, reclassification or cancellation of all or part of the Second Preference Shares or any series thereof; or

(c) create a new class or series of shares equal or superior to the Second Preference Shares or any series thereof.".

EXHIBIT VII

Terms and Conditions of the Shares of Crescita

ARTICLE 1
INTERPRETATION

1.01 References to " Act": In this schedule, as from time to time amended, unless there is something in the context inconsistent herewith, "Act" means the *Business Corporations Act* (Ontario), or its successor, as amended from time to time.

1.02 Headings, Gender, Number: This schedule as from time to time amended, shall be read without regard to paragraph headings, which are included for ease of reference only, and with all changes in gender and number required by the context.

ARTICLE 2
COMMON SHARES

The Common Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

2.01 Votes: The holders of Common Shares are entitled to receive notice of, and to attend, all meetings of shareholders of the Corporation, except meetings at which only holders of another specified class or series of shares are entitled to vote. The holders of Common Shares are entitled to one vote for each one Common Share held on all polls taken at such meetings.

2.02 Dividends: Subject to the prior rights, privileges, restrictions and conditions attaching to the First Preference Shares and the Second Preference Shares, or any series thereof, respectively, and the shares of any other class ranking senior to the Common Shares, the holders of Common Shares shall be entitled to receive dividends as and when declared by the directors of the Corporation.

2.03 Liquidation: In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of the property and assets of the Corporation for the purpose of winding up the affairs of the Corporation, holders of Common Shares shall, after payment to the holders of First Preference Shares, Second Preference Shares and shares of any other class ranking senior to the Common Shares of the amount payable to them, be entitled to receive the remaining property and assets of the Corporation.

2.04 Limitation: Subject to the provisions of the Act, the holders of Common Shares shall not be entitled to vote separately on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:

(a) increase or decrease any maximum number of authorized Common Shares, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the Common Shares;

(b) effect an exchange, reclassification or cancellation of all or part of the Common Shares; or

(c) create a new class of shares or series equal or superior to the Common Shares.

ARTICLE 3
FIRST PREFERENCE SHARES

The First Preference Shares shall have attached thereto, as a class, the following rights, privileges, restrictions and conditions:

3.01 Directors' Right to Issue in One or More Series: The First Preference Shares may at any time and from time to time be issued in one or more series. Prior to the issue of First Preference Shares of any series, the directors of the Corporation shall, subject to the rights, privileges, restrictions and conditions attached to the First Preference Shares as a class, the articles of the Corporation and the provisions of the Act, by resolution amend the articles of the Corporation to fix the number of First Preference Shares in such series and determine the designation of, and the rights, privileges, restrictions and conditions attached to, the First Preference Shares of such series including, without limitation:

(a) the rate, amount or method of calculation of any dividends and whether any dividends are subject to adjustment;

(b) whether any dividends are cumulative, partly cumulative or non-cumulative;

(c) the dates, manner and currency of payments of any dividends and the date from which any dividends accrue or become payable;

(d) if redeemable or purchasable (whether at the option of the Corporation or the holder or otherwise), the redemption or purchase prices and currency or currencies thereof and the terms and conditions of redemption or purchase, with or without any provision for sinking or similar funds;

(e) the voting rights, if any;

(f) any conversion, exchange or reclassification rights; and

(g) any other terms not inconsistent with these provisions;

the whole subject to receipt by the Director appointed under the Act of articles of amendment designating and fixing the number of First Preference Shares in such series and setting forth the rights, privileges, restrictions and conditions attached thereto and the issue by the Director of a certificate of amendment with respect thereto.

3.02 Ranking of First Preference Shares of Each Series: The First Preference Shares of each series shall, with respect to the payment of dividends and the distribution of the assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation for the purpose of winding-up its affairs, rank (a) on a parity with the First Preference Shares of every other series and (b) senior to, and shall be entitled to a preference over, the Second Preference Shares, the Common Shares, and the shares of any other class ranking junior to the First Preference Shares. The First Preference Shares of any series shall also be entitled to such other preferences, not inconsistent with these provisions, over the Second Preference Shares, the Common Shares, and the shares of any other class ranking junior to the First Preference Shares as may be fixed in accordance with 3.01 hereof.

3.03 Voting Rights: Except as hereinafter specifically provided, as required by the Act or in accordance with any voting rights which may be attached to any series of First Preference Shares, the holders of First Preference Shares shall not be entitled as such to receive notice of, or to attend, any meeting of shareholders of the Corporation and shall not be entitled to vote at any such meeting; provided however that the holders of First Preference Shares shall be entitled to receive notice of meetings of shareholders of the Corporation called for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all of the property of the Corporation other than in the ordinary course of business of the Corporation.

3.04 Amendment with Approval of Holders of First Preference Shares: The rights, privileges, restrictions and conditions attached to the First Preference Shares as a class may be added to, removed or changed only with the approval of the holders of First Preference Shares given in accordance with the requirements of the Act and the minimum requirement provided in 3.05 hereof.

3.05 Approval of Holders of First Preference Shares: The approval of the holders of First Preference Shares as a class to any matters referred to in these provisions may be given as specified below:

(a) Approval and Quorum: Any approval required to be given by the holders of First Preference Shares shall be deemed to have been sufficiently given if it shall have been given by a resolution signed by all of the holders of the then outstanding First Preference Shares or by a resolution passed by the affirmative vote of not less than two-thirds of the votes cast by holders of First Preference Shares who voted in respect of that resolution at a meeting of the holders of First Preference Shares called and held for such purpose in accordance with the by-laws of the Corporation at which holders of not less than one-tenth of the then outstanding First Preference Shares are present in person or represented by proxy; provided that, if at any such meeting a quorum is not present within one-half hour after the time appointed for such meeting, the meeting shall be adjourned to the same day in the next week at the same time and to such place as the chairman of the meeting

may determine and, subject to the provisions of the Act, it shall not be necessary to give notice of such adjourned meeting. At such adjourned meeting the holders of First Preference Shares present in person or represented by proxy shall constitute a quorum and may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast by holders of First Preference Shares at such meeting shall constitute the approval of the holders of First Preference Shares.

(b) Votes: On every poll taken at any meeting in respect of which only the holders of First Preference Shares of more than one series are entitled to vote, each holder of First Preference Shares shall be entitled to one vote in respect of the greater of (i) each $1.00 of stated capital added to the appropriate stated capital account of the Corporation in respect of the issue of each such share and (ii) each $1.00 of the liquidation preference or redemption preference (excluding any amount payable in respect of declared but unpaid or accrued but unpaid dividends) attached to each such share (and if the liquidation preference and redemption preference are not the same at the applicable time, then the greater of the two).

Subject to the foregoing, the formalities to be observed with respect to proxies, the giving or waiving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed in the Act and the by-laws of the Corporation with respect to meetings of shareholders.

3.06 Shares Issued in Series with Identical Rights: Where First Preference Shares are issued in more than one series with identical rights, privileges, restrictions, conditions and designations attached thereto, all such series of First Preference Shares shall rank *pari passu* and participate equally and proportionately without discrimination or preference as if all such series of First Preference Shares had been issued simultaneously and all such series of First Preference Shares may be designated as one series.

3.07 Limitation: Subject to the provisions of the Act, the holders of First Preference Shares or any series thereof shall not, unless the rights, privileges, restrictions and conditions attached to the First Preference Shares as a class or to any particular series thereof provide to the contrary, be entitled to vote separately as a class or series on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:

(a) increase or decrease any maximum number of authorized First Preference Shares or any series thereof, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the First Preference Shares or any series thereof;

(b) effect an exchange, reclassification or cancellation of all or part of the First Preference Shares or any series thereof; or

(c) create a new class or series of shares equal or superior to the First Preference Shares or any series thereof.

ARTICLE 4
SECOND PREFERENCE SHARES

The Second Preference Shares shall have attached thereto, as a class, the following rights, privileges, restrictions and conditions:

4.01 Directors' Right to Issue in One or More Series: The Second Preference Shares may at any time and from time to time be issued in one or more series. Prior to the issue of Second Preference Shares of any series, the directors of the Corporation shall, subject to the rights, privileges, restrictions and conditions attached to the Second Preference Shares as a class, the articles of the Corporation and the provisions of the Act, by resolution amend the articles of the Corporation to fix the number of Second Preference Shares in such series and determine the designation of, and the rights, privileges, restrictions and conditions attached to, the Second Preference Shares of such series including, without limitation:

(a) the rate, amount or method of calculation of any dividends and whether any dividends are subject to adjustment;

(b) whether any dividends are cumulative, partly cumulative or non-cumulative;

(c) the dates, manner and currency of any payments of dividends and the date from which any dividends accrue or become payable;

(d) if redeemable or purchasable (whether at the option of the Corporation or the holder or otherwise), the redemption or purchase prices and currency or currencies thereof and the terms and conditions of redemption or purchase, with or without any provision for sinking or similar funds;

(e) the voting rights, if any;

(f) any conversion, exchange or reclassification rights; and

(g) any other terms not inconsistent with these provisions;

the whole subject to receipt by the Director appointed under the Act of articles of amendment designating and fixing the number of Second Preference Shares in such series and setting forth the rights, privileges, restrictions and conditions attached thereto and the issue by the Director of a certificate of amendment with respect thereto.

4.02 Ranking of Second Preference Shares of Each Series: The Second Preference Shares of each series shall, with respect to the payment of dividends and the distribution of the assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation for the purpose of winding-up its affairs, rank (a) junior and subordinate to the First Preference Shares, (b) on a parity with the Second Preference Shares of every other series and (c) senior to, and shall be entitled to a preference over, the Common Shares and the shares of any other class ranking junior to the Second Preference Shares. The Second Preference Shares of any series shall also be entitled to such other preferences, not inconsistent with these provisions, over the Common Shares, and the shares of any other class ranking junior to the Second Preference Shares as may be fixed in accordance with 4.01 hereof.

4.03 Voting Rights: Except as hereinafter specifically provided, as required by the Act or in accordance with any voting rights which may be attached to any series of Second Preference Shares, the holders of Second Preference Shares shall not be entitled as such to receive notice of, or to attend, any meeting of shareholders of the Corporation and shall not be entitled to vote at any such meeting; provided however that the holders of Second Preference Shares shall be entitled to receive notice of meetings of shareholders of the Corporation called for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all of the property of the Corporation other than in the ordinary course of business of the Corporation.

4.04 Amendment with Approval of Holders of Second Preference Shares: The rights, privileges, restrictions and conditions attached to the Second Preference Shares as a class may be added to, removed or changed only with the approval of the holders of Second Preference Shares given in accordance with the requirements of the Act and the minimum requirement provided in 4.05 hereof.

4.05 Approval of Holders of Second Preference Shares: The approval of the holders of Second Preference Shares as a class to any matters referred to in these provisions may be given as specified below:

(a) Approval and Quorum: Any approval required to be given by the holders of Second Preference Shares shall be deemed to have been sufficiently given if it shall have been given by a resolution signed by all of the holders of the then outstanding Second Preference Shares or by a resolution passed by the affirmative vote of not less than two-thirds of the votes cast by holders of Second Preference Shares who voted in respect of that resolution at a meeting of the holders of Second Preference Shares called and held for that purpose in accordance with the by-laws of the Corporation at which holders of not less than one-tenth of the then outstanding Second Preference Shares are present in person or represented by proxy; provided that, if at any such meeting a quorum is not present within one- half hour after the time appointed for such meeting, the meeting shall be adjourned to the same day in the next week at the same time and to such place as the chairman of the meeting may determine and, subject to the provisions of the Act, it shall not be necessary to give notice of such adjourned meeting. At such adjourned meeting the holders of Second Preference Shares present in person or represented by proxy shall constitute a quorum and may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast at such meeting shall constitute the approval of the holders of Second Preference Shares.

(b) Votes: On every poll taken at any meeting in respect of which only the holders of the Second Preference Shares of more than one series are entitled to vote, each holder of Second Preference Shares shall be entitled

to one vote in respect of the greater of (i) each $1.00 of stated capital added to the appropriate stated capital account of the Corporation in respect of the issue of each such share and (ii) each $1.00 of the liquidation preference or redemption preference (excluding any amount payable in respect of declared but unpaid or accrued but unpaid dividends) attached to each such share (and if the liquidation preference and redemption preference are not the same at the applicable time, then the greater of the two).

Subject to the foregoing, the formalities to be observed with respect to proxies, the giving or waiving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed in the Act and the by-laws of the Corporation with respect to meetings of shareholders.

4.06 Shares Issued in Series with Identical Rights: Where Second Preference Shares are issued in more than one series with identical rights, privileges, restrictions, conditions and designations attached thereto, all such series of Second Preference Shares shall rank *pari passu* and participate equally and proportionately without discrimination or preference as if all such series of Second Preference Shares had been issued simultaneously and all such series of Second Preference Shares may be designated as one series.

4.07 Limitation: Subject to the provisions of the Act, the holders of Second Preference Shares or any series thereof shall not, unless the rights, privileges, restrictions and conditions attached to the Second Preference Shares as a class or to any particular series thereof provide to the contrary, be entitled to vote separately as a class or series on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:

(a) increase or decrease any maximum number of authorized Second Preference Shares or any series thereof, or increase any maximum number of authorized shares of a class or any series having rights or privileges equal or superior to the Second Preference Shares or any series thereof;

(b) effect an exchange, reclassification or cancellation of all or part of the Second Preference Shares or any series thereof; or

(c) create a new class or series of shares equal or superior to the Second Preference Shares or any series thereof.

EXHIBIT VIII

By-Laws of Crescita

BY-LAW NUMBER 1

A by-law relating generally to the transaction of the business and affairs of Crescita Therapeutics Inc.

CONTENTS

BY-LAW 1

ARTICLE ONE
INTERPRETATION

1.01 **Definitions**: In this by-law and all other by-laws of the Corporation, unless the context otherwise requires:

(a) "**Act**" means the *Business Corporations Act* (Ontario) or its successor, as amended from time to time;

(b) "**Corporation**" means Crescita Therapeutics Inc. and its successors;

(c) "**holiday**" means Sunday and any other day that is a holiday as defined in the *Interpretation Act* (Ontario) or its successor, as amended from time to time;

(d) "**person**" includes an individual, body corporate, sole proprietorship, partnership or syndicate, an unincorporated association or organization, a joint venture, trust or employee benefit plan, a government or any agency or political subdivision thereof, and a person acting as trustee, executor, administrator or other legal representative;

(e) "**recorded address**" means, with respect to a single shareholder, the address of such shareholder most recently recorded in the securities register of the Corporation; with respect to joint shareholders, the first address appearing in the securities register of the Corporation in respect of their joint holding; and, with respect to any other person, but subject to the Act, the address of such person most recently recorded in the records of the Corporation or otherwise known to the Secretary of the Corporation;

(f) subject to the foregoing, words and expressions that are defined in the Act have the same meanings when used in the by-laws of the Corporation as in the Act; and

(g) words importing the singular include the plural and vice-versa, words importing any gender include the masculine, feminine and neuter genders, and headings contained in the by-laws of the Corporation are for convenience of reference only and shall not affect the interpretation of the by-laws of the Corporation.

ARTICLE TWO
MEETINGS OF SHAREHOLDERS

2.01 **Annual Meeting**: The annual meeting of the shareholders of the Corporation shall be held on such day and at such time as the board may, subject to the Act, determine from time to time, for the purpose of transacting such business as is properly brought before the meeting.

2.02 **Special Meeting**: From time to time the board may call a special meeting of the shareholders of the Corporation to be held on such day and at such time as the board may determine. Any special meeting of shareholders of the Corporation may be combined with an annual meeting.

2.03 **Place of Meetings**: Meetings of shareholders of the Corporation shall be held at such place within Canada as the board may determine from time to time.

2.04 **Record Date**: The board by resolution may fix in advance a record date, preceding the date of any meeting of shareholders of the Corporation by not more than 60 days nor less than 30 days, for the determination of the shareholders entitled to notice of the meeting, and where no such record date for notice is fixed by the board, the record date for notice shall be the close of business on the day immediately preceding the day on which notice is given. Notice of any such record date fixed by the board shall be given in the manner required by the Act.

2.05 **Notice**: Notice in writing of the time and place of, and purpose for holding, each meeting of shareholders of the Corporation shall be sent not less than 21 days nor more than 50 days before the date on which the meeting is to be held, to each director, the auditor of the Corporation and each person who on the record date for notice appears in the securities register of the Corporation as the holder of one or more shares carrying the right to vote at the meeting or as the holder of one or more shares the holders of which are otherwise entitled to receive notice of the meeting. Notice of a meeting of shareholders of the Corporation shall state or be accompanied by the text of any special resolution or by-law to be submitted to the meeting and a statement in accordance with the Act of the nature of all special business to be transacted at the meeting. If two or more persons are registered as joint shareholders of any share, notice to one of such persons shall be sufficient notice to all of them. Reference is made to sections 8.07 to 8.12 of this by-law.

2.06 **Proxy and Management Information. Circular**: The Secretary or any other officer of the Corporation shall, concurrently with sending notice of a meeting of the shareholders of the Corporation, (i) send a form of proxy and management information circular in accordance with the Act to each shareholder who is entitled to receive notice of, and is entitled to vote at, the meeting, (ii) send such management information circular to any other shareholder of the Corporation who is entitled to receive notice of the meeting, to any director who is not a shareholder entitled to attend thereto and to the auditor of the Corporation, and (iii) file with any regulatory or other agencies entitled thereto, a copy of all documents sent in connection with the meeting.

2.07 **Persons Entitled to be Present**: The only persons entitled to attend a meeting of the shareholders of the Corporation shall be those persons entitled to notice thereof, those entitled to vote thereat and others who although not entitled to notice are entitled or required under any provision of the Act or the by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

2.08 **Chairman, Secretary and Scrutineer**: The Chairman of the Board, or in his or her absence, the Vice-Chairman of the Board, or in his or her absence, the President, or in the absence of all of them, a person designated by the board shall be chairman of any meeting of the shareholders of the Corporation. If no such person is present within 15 minutes after the time appointed for the holding of the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. The Secretary of the Corporation shall act as the secretary of the meeting. If the Secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. One or more scrutineers, who need not be shareholders of the Corporation, may be appointed by the chairman or by a resolution of the shareholders.

2.09 **Quorum**: The quorum for the transaction of business at any meeting of the shareholders of the Corporation shall be two persons present at the opening of the meeting who are entitled to vote thereat either as shareholders or proxyholders. If a quorum is not present within such reasonable time after the time appointed for the holding of the meeting as the persons present and entitled to vote thereat may determine, such persons may adjourn the meeting to a fixed time and place.

2.10 **Persons Entitled to Vote**: Without prejudice to any other right to vote, every shareholder recorded on the shareholder list prepared for a meeting of the shareholders of the Corporation in accordance with the Act is entitled, at the meeting

to which the list relates, to vote the shares shown on such list with respect to such shareholder. However, where two or more persons hold the same shares jointly, any one of them may in the absence of the others vote in respect of such shares but, if more than one of such persons are present or represented and vote, they shall vote together as one on the shares jointly held by them or not at all.

2.11 **Proxies**: Shareholders of the Corporation shall be entitled to vote in person or, if a corporation, by a representative duly authorized by a resolution of the directors or other governing body of such corporation. Every shareholder of the Corporation, including a shareholder that is a body corporate, entitled to vote at a meeting of the shareholders of the Corporation may by means of a proxy appoint a proxyholder or alternate proxyholders, who need not be shareholders, as his or her nominee to attend and act at the meeting in the manner, to the extent and with the authority conferred by the proxy.

A proxy shall be in writing executed by the shareholder or by the attorney of the shareholder or shall be an electronic document with an electronic signature and shall conform with the requirements of the Act. The chairman of the meeting shall determine the authenticity of all signatures.

The board by resolution may also permit particulars of instruments of proxy for use at or in connection with any such meeting and, if so determined by the board of directors, any adjournment thereof, to be provided as an electronic document to the Secretary of the Corporation or such other agent as the board may from time to time determine prior to any such meeting, and, in such event, such instruments of proxy, if otherwise in order, shall be valid and any votes cast in accordance therewith shall be counted.

The chairman of any meeting of the shareholders of the Corporation may also in his or her discretion, unless otherwise determined by resolution of the board, accept electronic documents as to the authority of anyone claiming to vote on behalf of or to represent a shareholder of the Corporation notwithstanding that no instrument of proxy conferring such authority has been lodged with the Corporation and any votes cast in accordance with such electronic document accepted by the chairman of the meeting shall be valid and shall be counted.

A proxy may be signed and delivered in blank and filled in afterwards by the Chairman of the Board, the President, the Secretary or an Assistant-Secretary of the Corporation.

It shall not be necessary to insert in the proxy the number of shares owned by the appointer.

The board may, at the Corporation's expense, send out forms of proxy in which certain directors or officers are named, which may be accompanied by stamped envelopes for the return of the forms, even if the directors so named vote the proxies in favour of their own election as directors.

The board may specify in the notice calling a meeting of shareholders a time, not exceeding 48 hours (excluding Saturdays and holidays) preceding the meeting or any adjournment thereof, before which proxies must be deposited with the Corporation or its agent. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, where no such time is specified in such notice, if it has been received by the Secretary of the Corporation or the chairman of the meeting or any adjournment thereof before the time of voting.

A proxy ceases to be valid one year from its date.

2.12 **Voting**: At each meeting of the shareholders of the Corporation every question proposed for consideration by the shareholders of the Corporation shall be decided by a majority of the votes duly cast thereon, unless otherwise required by the articles or by-laws of the Corporation or by law. In case of an equality of votes the chairman of the meeting shall not be entitled to a casting vote. Every question submitted to any meeting of the shareholders of the Corporation may be decided either by a show of hands or by ballot.

Where two or more persons hold a share or shares jointly, any one of them present or represented by proxy at a meeting of the shareholders of the Corporation may, in the absence of the other or others, vote such share or shares but, if more than one of them are present or represented, they shall vote as one on the share or shares jointly held by them.

2.13 **Show of Hands**: At each meeting of the shareholders of the Corporation voting shall be by show of hands unless a ballot is required or demanded as hereinafter provided. Upon a show of hands every person present and entitled to vote on the show of hands shall have one vote. Whenever a vote by show of hands has been taken upon a question, unless a

ballot thereon be so required or demanded and such requirement or demand is not withdrawn, a declaration by the chairman of the meeting that the vote upon the question was carried or carried by a particular majority or not carried or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the result of the vote without proof of the number or percentage of votes cast for or against.

2.14 **Ballots**: On any question proposed for consideration at a meeting of the shareholders of the Corporation a ballot may be required by the chairman of the meeting or demanded by any person present and entitled to vote, either before any vote by show of hands or thereafter and prior to the declaration of the result of the vote by show of hands by the chairman of the meeting. If a ballot is so required or demanded and such requirement or demand is not withdrawn, a poll upon the question shall be taken in such manner as the chairman of the meeting shall direct. Subject to the articles of the Corporation, upon a ballot each person present shall be entitled to the number of votes specified in the articles in respect of each share which such person is entitled to vote at the meeting on the question.

2.15 **Procedure at Meetings**: The chairman of any meeting of the shareholders of the Corporation shall conduct the procedure thereat in all respects and the decision of the chairman on all matters or things including, but without in any way limiting the generality of the foregoing, any question regarding the validity or invalidity of any instruments of proxy or ballot, shall be conclusive and binding upon the shareholders of the Corporation, except as otherwise provided in the by-laws of the Corporation.

A meeting of the shareholders of the Corporation may be adjourned only upon the affirmative vote of a majority of the votes cast in respect of shares present or represented in person or by proxy at the meeting. Any business may be brought before or dealt with at any adjourned meeting which may have been brought up or dealt with at the original meeting.

ARTICLE THREE
ADVANCE NOTICE OF NOMINATION OF DIRECTORS

3.01 **Nominations**: Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

(a) by or at the direction of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or

(c) by any person (a "Nominating Shareholder"):

(i) who, at the close of business on the date of the giving of the notice provided for below in this Article Three and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and

(ii) who complies with the notice procedures set forth below in this Article Three.

3.02 **Notice:** In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the secretary of the Corporation at the principal executive offices of the Corporation in accordance with this by Law.

3.03 **Timely Notice:** To be timely, a Nominating Shareholder's notice to the secretary of the Corporation must be sent:

(a) in the case of an annual meeting of shareholders, not less than thirty (30) nor more than sixty (60) days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than fifty (50) days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the

Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and

(b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

3.04 **Form of Notice:** To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Corporation must set forth:

(a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:

(i) the name, age, business address and residential address of the person;

(ii) the principal occupation or employment of the person;

(iii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;

(iv) the citizenship of the person;

(v) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the person or any affiliates or associates of, or any person or entity acting jointly or in concert with, the person or the Nominating Shareholder;

(vi) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined in section 3.07); and

(b) as to the Nominating Shareholder giving the notice:

(i) the name, business and residential address of the Nominating Shareholder;

(ii) the direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Corporation, including the number or principal amount and the date(s) on which such securities were acquired of the Nominating Shareholder;

(iii) the Nominating Shareholder's interests in, or rights or obligations associated with, an agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Corporation or the Nominating Shareholder's economic exposure to the Corporation;

(iv) any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation;

(v) a representation that the Nominating Shareholder is a holder of record of securities of the Corporation, or a beneficial owner, entitled to vote at the meeting;

(vi) a representation as to whether such Nominating Shareholder intends to deliver a proxy circular and/or form of proxy to any shareholder of the Corporation in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Corporation in support of such nomination; and

(vii) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined in section 3.07).

3.05 **Additional Information:** The Corporation may require any proposed nominee to furnish such other information, including a written consent to act, as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

3.06 **Eligibility:** No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Article Three; provided, however, that nothing in this Article Three shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

3.07 **Definitions:** For purposes of this Article Three,

(1) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by or on behalf of the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and

(2) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

3.08 **Delivery of Notice:** Notwithstanding any other provision of the by-laws of the Corporation, notice given to the Secretary of the Corporation pursuant to this Article Three may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

3.09 **Discretion of the Board:** Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this section.

ARTICLE FOUR
DIRECTORS

4.01 **Powers of the Board of Directors**: The board of directors of the Corporation shall supervise the management of the business and affairs of the Corporation.

4.02 **Number and Quorum of Directors**: The number of directors of the Corporation shall be the number from time to time fixed by the articles, or the number from time to time determined within the range provided for in the articles by special resolution of the shareholders of the Corporation (or by the directors of the Corporation when empowered to do so by special resolution of the shareholders of the Corporation). The number of directors of the Corporation from time to time required to constitute a quorum for the transaction of business at a meeting of the board shall be 40% of the number of directors so fixed or determined at that time (or, if that is a fraction, the next larger whole number of directors).

4.03 **Election and Term**: Directors of the Corporation shall be elected to hold office for a term or terms, respectively, expiring at the close of the first, second or third annual meeting of shareholders following their election or when their successors are duly elected.

4.04 **Vacancies**: Notwithstanding vacancies but subject to the Act, the remaining directors of the Corporation may exercise all the powers of the board as long as a quorum of the board remains in office. Vacancies in the board may be filled in accordance with the Act.

4.05 **Calling Meetings**: Meetings of the board shall be held from time to time at such places within or outside Ontario (or by such communication facilities as are permitted by the Act) on such days and at such times as any two directors or the Chief Executive Officer or the President or any Vice-President who is a director or any other officer designated by the board may determine. In any financial year of the Corporation a majority of the meetings of the board may be held within or outside Canada.

4.06 **Notice**: Notice of the time and of the place or manner of participation for every meeting of the board shall be sent to each director not less than 24 hours (excluding Saturdays and holidays) before the time of the meeting. Reference is made to sections 8.07 to 8.12 of this by-law.

4.07 **First Meeting of New Board**: Each newly constituted board may hold its first meeting without notice on the same day as the meeting of the shareholders of the Corporation at which directors of the Corporation are elected.

4.08 **Chairman**: The Chairman of the Board, or in his or her absence, a Vice-Chairman, or in his or her absence, the President, or in the absence of all of them, a director designated by the board, or in his or her absence, a director designated by the meeting shall be chairman of any meeting of the board.

4.09 **Voting**: At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chairman of the meeting shall not be entitled to a casting vote.

4.10 **Signed Resolutions**: When there is a quorum of directors of the Corporation in office, a resolution in writing signed by all of the directors of the Corporation entitled to vote thereon at a meeting of the board or any committee thereof is as valid as if passed at such meeting. Any such resolution may be signed in counterparts and if signed as of any date shall be deemed to have been passed on such date.

4.11 **Meetings by Telephone**: If all of the directors of the Corporation consent (such consent may be given at any time), a director of the Corporation may participate in a meeting of the directors of the Corporation or committee thereof by means of such telephone or other communication facilities as permit all persons participating in the meeting to hear each other, and such director shall be deemed to be present at the meeting.

4.12 **Remuneration**: Directors of the Corporation may be paid such remuneration for acting as directors and such amounts in respect of their out-of-pocket expenses incurred in performing their duties as the board may determine from time to time. Any remuneration or expenses so payable shall be in addition to any other amount payable to any director acting in another capacity.

4.13 **Committees**: The board shall appoint an audit committee. The board, from time to time, may appoint other committees of directors including an executive committee, a majority of which shall be resident Canadians. The composition of each committee shall meet the requirements of the Act. Each committee shall have those powers and duties lawfully delegated to it by the board or provided by the Act. Unless otherwise determined by the board, each committee may fix its quorum, elect its chairman and adopt rules to regulate its procedure. Subject to the foregoing, the procedure of each committee shall be governed by the provisions of this by-law which govern proceedings of the board so far as the same can apply, except that a meeting of a committee may be called by any member thereof (or by the auditor, in the case of the audit committee), notice of any such meeting shall be given to each member of the committee (or each member and the auditor, in the case of the audit committee) and the meeting shall be chaired by the chairman of the committee or, in his or her absence, some other member of the committee. The Secretary of the Corporation shall be the secretary of each committee. Each committee shall keep records of its proceedings and transactions and shall report all such proceedings and transactions to the board in a timely manner.

ARTICLE FIVE
OFFICERS AND EMPLOYEES

5.01 **Appointment of Officers**: From time to time, the board may appoint a Chairman of the Board, one or more Vice-Chairman of the Board, a President, one or more Executive Vice-Presidents, one or more Senior Vice-Presidents, one or more Vice-Presidents, a Treasurer, a Secretary, a Controller and such other officers as the board may determine, including one or more assistants to any of the officers so appointed, may designate one officer as Chief Executive Officer of the Corporation and one officer as Chief Financial Officer of the Corporation and may revoke any such

designation. One person may hold more than one office. Except for the Chairman of the Board and any Vice-Chairman of the Board, the officers so appointed need not be directors of the Corporations.

5.02 **Appointment of Non-Officers**: The board may also appoint other persons to serve the Corporation in such other positions and with such titles, powers and duties as the board may determine from time to time.

5.03 **Terms of Employment**: The board may settle from time to time the terms of employment of the officers and any other persons appointed by it and may remove at its pleasure any such person without prejudice to his or her rights, if any, to compensation under any employment contract.

5.04 **Powers and Duties of Officers**: The board may from time to time specify the duties of each officer, delegate to him or her powers to manage any business or affairs of the Corporation (including the power to sub-delegate any such duties and powers), all insofar as are not prohibited by the Act. To the extent not otherwise so specified or delegated, and subject to the Act, the duties and powers of the officers of the Corporation shall be those usually pertaining to their respective offices.

5.05 **Incentive Plans**: For the purposes of enabling key officers and employees of the Corporation and its affiliates to participate in the growth of the Corporation and of providing effective incentive to such officers and employees, the board may establish such plans (including stock option plans, stock purchase plans and stock bonus plans) and make such rules and regulations with respect thereto, and such changes in such plans, rules and regulations, as the board may deem advisable from time to time. From time to time the board may designate the key officers and employees entitled to participate in any such plan. For the purposes of any such plan the Corporation may provide such financial assistance by means of loan, guarantee or otherwise to key officers and employees as is permitted by the Act.

ARTICLE SIX
CONDUCT OF DIRECTORS AND OFFICERS AND INDEMNITY

6.01 **Standard of Care**: Every director and officer of the Corporation in exercising his or her powers and discharging his or her duties shall act honestly and in good faith with a view to the best interests of the Corporation and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

6.02 **Disclosure of Interest**: A director or officer of the Corporation who now or in future is a party to, or is a director or officer of, or has a material interest, in another person who is a party to, any existing or proposed material contract or transaction with the Corporation shall, in accordance with the Act, disclose in writing to the Corporation or request to have entered in the minutes of meetings of the board the nature and extent of his or her interest. Except as permitted by the Act, a director of the Corporation so interested shall not vote on any motion to approve such contract or transaction. A general notice to the board by a director or officer of the Corporation that he or she is a director or officer of, or has a material interest in, a person and is to be regarded as interested in any contract made or transaction entered into with that person is a sufficient disclosure of interest in relation to any contract or transaction so made or entered into.

6.03 **Indemnity**: Subject to the limitations in the Act regarding indemnities in respect of derivative actions, the Corporation may indemnify and save harmless every director or officer, every former director or officer, and every individual who acts or acted at the Corporation's request as a director or officer or an individual in a similar capacity of another entity, from and against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by that individual in respect of any civil, criminal, administrative, investigative or other proceeding to which that individual is involved because of their association with the Corporation or other entity if:

(a) such person acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interest of the other entity for which the individual acted as a director or officer or as an individual in a similar capacity at the Corporation's request; and

(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, such person had reasonable grounds for believing his or her conduct was lawful.

Nothing in this section shall affect any other right to indemnity to which any person may be or become entitled by contract or otherwise, and no settlement or plea of guilty in any action or proceeding shall alone constitute evidence that a person did not meet a condition set out in clause (a) or (b) of this section or any corresponding condition in the Act. From time to time the board may determine that this section shall also apply to the employees of the Corporation who are not directors or officers of the Corporation or to any particular one or more or class of such employees, either generally or in respect of a particular occurrence

or class of occurrences and either prospectively or retroactively (to any date not earlier than the date of this by-law). From time to time thereafter the board may also revoke, limit or vary the continued application of this section.

6.04 **Advance of Costs:** The Corporation may advance money to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to in section 6.03, but such individual shall be required to repay the money if the individual does not fulfil the conditions set out in section 6.05.

6.05 **Limitation of Liability**: So long as such person acts honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or as an individual in a similar capacity at the Corporation's request, no person referred to in section 6.03 of this by-law (including, to the extent it is then applicable to them, any employees referred to therein) shall be liable for any damage, loss, cost or liability sustained or incurred by the Corporation, except where so required by the Act.

6.06 **Insurance**: Subject to the Act, the Corporation may purchase liability insurance for the benefit of any person referred to in section 6.03 of this by-law.

ARTICLE SEVEN
BORROWING POWERS

7.01 **Borrowing Powers**: The board may, without authorization of the shareholders,

(a) borrow money upon the credit of the Corporation;

(b) issue, reissue, sell or pledge debt obligations of the Corporation;

(c) subject to the provisions of the Act, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and

(d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

7.02 **Delegation of Powers**: The board may by resolution delegate any or all of the powers referred to in section 7.01 of this by-law to a director, a committee of directors or an officer of the Corporation.

ARTICLE EIGHT
MISCELLANEOUS

8.01 **Execution of Documents**: Contracts, documents and other instruments in writing may be signed on behalf of the Corporation by such person or persons as the board may from time to time by resolution designate. In the absence of an express designation as to the persons authorized to sign either contracts, documents or instruments in writing generally or to sign specific contracts, documents or instruments in writing, any one of the directors or officers of the Corporation may sign contracts, documents or instruments in writing on behalf of the Corporation. In addition, the board may from time to time indicate who may or shall sign any particular contract or document or class of contracts or documents. Any officer of the Corporation may affix the corporate seal to any contract or document and may certify a copy of any resolution or of any by-law or contract or document of the Corporation to be a true copy thereof. Subject to the Act, and if authorized by the board, the corporate seal of the Corporation and the signature of any signing officer may be mechanically or electronically reproduced upon any contracts or documents of the Corporation. Any such electronic signature shall bind the Corporation notwithstanding that any signing officer whose signature is so reproduced may have ceased to hold office at the date of delivery or issue of such contracts or documents.

8.02 **Share Certificates**: Every shareholder of the Corporation is entitled at his or her option to a share certificate that complies with the Act and states the number, class and series designation, if any, of the shares of the Corporation held by him or her as appears on the securities register of the Corporation. However, the Corporation is not bound to issue more than one share certificate or acknowledgement in respect of shares held jointly by several persons, and delivery of such certificate or acknowledgement to one of such persons is sufficient delivery to all of them. Share certificates and acknowledgements shall be in such forms as the board by resolution shall approve from time to time and, unless otherwise ordered by the board, shall be signed in accordance with section 8.01 of this by-law and need not be under corporate seal. However, certificates representing shares in respect of which a transfer agent has been appointed shall

be signed manually or by facsimile signature by or on behalf of such transfer agent and other share certificates and acknowledgements shall be signed manually by at least one signing officer of the Corporation.

8.03 **Replacement of Share Certificates**: The Secretary of the Corporation may prescribe either generally or in a particular case reasonable conditions, in addition to those provided in the Act, upon which a new share certificate may be issued in place of any share certificate which is claimed to have been lost, destroyed or wrongfully taken, or which has become defaced.

8.04 **Registration of Transfer**: No transfer of shares need be recorded in the register of transfers except upon presentation of the share certificate representing such shares endorsed by the appropriate person in accordance with the Act, together with reasonable assurance that the endorsement is genuine and effective, and upon compliance with all other conditions set out in the Act.

8.05 **Dividends**: Subject to the Act and the articles of the Corporation, the board may from time to time declare dividends payable to the shareholders of the Corporation, according to their respective rights and interests in the Corporation. A dividend payable to any shareholder of the Corporation, in money may be paid by cheque payable to the order of the shareholder and shall be mailed to the shareholder by prepaid mail addressed to him or her at his or her recorded address unless he or she directs otherwise. In the case of joint holders the cheque shall be made payable to the order of all of them, unless such joint holders direct otherwise in writing. The mailing of a cheque as aforesaid, unless it is not paid on due presentation, shall discharge the liability of the Corporation for the dividend to the extent of the amount of the cheque plus the amount of any tax thereon which the Corporation has properly withheld. If any dividend cheque sent is not received by the payee thereof, the Corporation shall issue to such person a replacement cheque for a like amount on such reasonable terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the Secretary of the Corporation may require.

8.06 **Dealings with Registered Shareholder**: Subject to the Act, the Corporation may treat the registered owner of a share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payments in respect of the share and otherwise to exercise all of the rights and powers of a holder of the share. The Corporation may, however, treat as the registered shareholder any executor, administrator, heir, legal representative, guardian, committee, trustee, curator, tutor, liquidator or trustee in bankruptcy who furnishes appropriate evidence to the Corporation establishing his, her or its authority to exercise the rights relating to a share of the Corporation.

8.07 **Notices to Shareholders, Directors**: Any notice or document required or permitted to be sent by the Corporation to a shareholder or director of the Corporation may be mailed by prepaid Canadian mail in a sealed or unsealed wrapper addressed to, or may be delivered personally to, such person at his or her last recorded address or may be sent by any other means permitted under the Act. If so mailed, the notice or document shall be deemed to have been received by the addressee on the fifth day after mailing. If notices or documents so mailed to a shareholder of the Corporation are returned on three consecutive occasions because such shareholder cannot be found, the Corporation need not send any further notices or documents to such shareholder until such shareholder informs the Corporation in writing of his or her new address. If the address of any shareholder of the Corporation does not appear in the records of the Corporation, then any notice or document may be mailed to such address as the person sending the notice or document may consider to be the most likely to reach promptly such shareholder.

8.08 **Notices to Others**: Any notice or document required or permitted to be sent by the Corporation to any other person may be (i) delivered personally to such person. (ii) addressed to such person and delivered to the recorded address of such person, (iii) mailed by prepaid Canadian mail in a sealed or unsealed envelope addressed to such person at the recorded address of such person or (iv) addressed to such person and sent to the recorded address of such person by electronic means or any other means of legible communication then in business use in Canada. A notice or document so mailed or sent shall be deemed to have been received by the addressee when deposited in a post office or public letter box (if mailed) or when transmitted by the Corporation on its equipment or delivered to the appropriate communication agency or its representative for dispatch, as the case may be (if sent by electronic means or other means of legible communication).

8.09 **Changes in Recorded Address**: The Secretary of the Corporation may change the recorded address of any person in accordance with any information the Secretary believes to be reliable.

8.10 **Computation of Days**: In computing any period of days under the by-laws of the Corporation or the Act, the period shall be deemed to commence the day following the event that begins the period and shall be deemed to end at midnight on the last day of the period except that if the last day of the period falls on a Sunday or holiday the period shall end at midnight of the day next following that is not a Sunday or holiday.

8.11 **Omissions and Errors**: The accidental omission to give any notice to any person, or the non-receipt of any notice by any person, or any immaterial error in any notice shall not invalidate any proceeding or action taken at any meeting held pursuant to such notice or otherwise founded thereon.

8.12 **Waiver of Notice**: Any person entitled to attend a meeting of the shareholders or directors of the Corporation or a committee thereof may in any manner and at any time waive notice thereof, and attendance of any shareholder of the Corporation or the proxyholder or authorized representative of such shareholder or of any other person at any meeting is a waiver of notice thereof by such shareholder or other person except where the attendance is for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. In addition, where any notice or document is required to be given under the articles or by-laws of the Corporation or the Act, the notice may be waived or the time for sending the notice or document may be waived or abridged at any time with the consent in writing of the person entitled thereto. Any meeting may be held without notice or on shorter notice than that provided for in the by-laws of the Corporation if all persons not receiving the notice to which such persons are entitled waive notice of or accept short notice of the holding of such meeting.

8.13 **Electronic Signatures:** Any requirement under the Act or this by-law for a signature, or for a document to be executed, is satisfied by a signature or execution in electronic form if such is permitted by law and all requirements prescribed by law are met.

DATED this _____ day of _____, 2016.

APPENDIX H

FAIRNESS OPINION

bloom burton & co
/accelerating returns in healthcare

65 Front Street East
Suite 300
Toronto ON
M5E 1B5
bloomburton.com

December 31, 2015

The Board of Directors
Nuvo Research Inc.
7560 Airport Rd, Unit 10
Mississauga, Ontario
L4T 4H4

Members of the Board of Directors,

Bloom Burton & Co. Limited ("Bloom Burton", "we" or "us") understands that the Board of Directors (the "Board") of Nuvo Research Inc. ("Nuvo" or the "Company") wish to establish the fairness, from a financial point of view, to the holders of common shares of Nuvo, of the reorganization of Nuvo into two separate publicly traded companies to be named Nuvo Pharma Inc. ("Nuvo Pharma") and Crescita Therapeutics Inc. ("Crescita", or together the "Companies") as originally announced on September 15, 2015 and confirmed on December 15, 2015 (the "Transaction").

Engagement of Bloom Burton

Bloom Burton began a first series of informal analyses with Nuvo about the possibility that Nuvo was considering the Transaction in August 2015. Subsequently and by letter agreement dated November 2, 2015 (the "Engagement Letter"), Bloom Burton was retained by Nuvo to prepare and deliver a fairness opinion (the "Fairness Opinion") to the Board of Directors of Nuvo (the "Board") in connection with the Transaction. The Engagement Letter provides that Bloom Burton is to receive a cash fee of CAD $25,000 plus applicable taxes payable upon the initial delivery of the Fairness Opinion to the Board as well as reimbursement of all reasonable out-of-pocket expenses incurred by Bloom Burton in connection with the preparation and delivery of the Fairness Opinion. An additional fee of CAD $75,000 plus applicable taxes is payable to Bloom Burton if the Fairness Opinion is referenced or included, in whole or in part, within a Management Information Circular or other public filing document of the Company to be filed with the securities commissions or similar regulatory authorities in Canada. Nuvo has agreed to indemnify Bloom Burton from and against certain liabilities arising out of the performance of professional services rendered by Bloom Burton and its personnel under the Engagement Letter. Bloom Burton consents to the inclusion of the Fairness Opinion in its entirety and a summary thereof in the Management Information Circular to be prepared by the Company in connection with the Transaction and to the filing thereof, as required, with the securities commissions or similar authorities in Canada.

Bloom Burton has not been engaged to prepare (and has not prepared) a formal valuation or appraisal of Nuvo, or of any of the assets, liabilities or securities of Nuvo, or to express any opinion with respect to the form of the Transaction itself, and the Fairness Opinion should not be construed as such. Bloom Burton was similarly not engaged to review any legal, tax or accounting aspects of the Transaction. However, Bloom Burton has performed research, financial analyses and testing of assumptions that it considered to be appropriate and necessary in the circumstances to support the conclusions reached in the Fairness Opinion.

This Fairness Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of the Investment Industry Regulatory Organization of Canada ("IIROC") but IIROC has not been involved in the preparation or review of this valuation. It is provided to the Board in an impartial and objective fashion to assist the members of the Board in discharging their

fiduciary responsibilities as directors. Bloom Burton has received no instructions from Nuvo's management or the Board in connection with the conclusions reached in the Fairness Opinion.

Relationships with Interested Parties

Neither Bloom Burton nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of Nuvo, or any of their respective associates or affiliates. Bloom Burton has not acted as agent or underwriter to Nuvo in the past two years with respect to any financings. There are no understandings, agreements or commitments between Bloom Burton and Nuvo, Nuvo Pharma, Crescita, or any of their respective associates or affiliates with respect to any future business dealings. Bloom Burton may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for Nuvo, Nuvo Pharma, Crescita, or any of their respective associates or affiliates. A predecessor company to Bloom Burton has provided financial and strategic advisory services to Nuvo in the past 24 months, including financial advisory services related to Nuvo's sale of the US rights to Pennsaid to Horizon Pharma PLC in October, 2014.

Bloom Burton does not hold any securities of Nuvo. A predecessor entity of Bloom Burton, Bloom Burton & Co. Inc., holds 21,600 common shares of Nuvo, representing less than <1% of the fully diluted securities of Nuvo. As an investment dealer, Bloom Burton conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to Nuvo, or the Transaction.

Credentials of Bloom Burton

Bloom Burton is an investment banking firm specializing in the life science and healthcare industries. Founded in 2009 in Toronto, Ontario, Bloom Burton is a member of the Investment Industry Regulatory Organization of Canada (IIROC) and is also a member of the Canadian Investor Protection Fund (CIPF). We offer our clients investment banking services including corporate finance and mergers and acquisitions advisory services. Our client types include privately-held and public life science or healthcare companies looking for corporate finance or commercialization advice and institutional investors looking to invest in healthcare companies. Bloom Burton is Canada's most active, healthcare-focused investment bank and has acted on behalf of our clients in over ninety transactions, including 11 formal fairness and/or valuation opinions to public or private company boards. Bloom Burton is unique among its Canadian investment banking peers in that, in addition to our capital markets and corporate finance professionals, Bloom Burton also has a dedicated scientific due diligence team that employs 6 full-time professionals with advanced, graduate level degrees and expertise in the scientific, medical, regulatory, commercial, and intellectual property and other legal aspects of the life science and healthcare industries. The opinion expressed herein is the opinion of Bloom Burton.

Summary of the Proposed Transaction

Bloom Burton understands that the Transaction, as unanimously approved by the Board and fully detailed in the Management Information Circular and Notice of Special Meeting of Shareholders, will result in each common shareholder of Nuvo as of the record date for the Transaction receiving one new common share of Nuvo and one common share of a new public company to be named Crescita Therapeutics Inc. ("Crescita") for each common share of Nuvo held. We further understand that as part of the Transaction, Nuvo will be renamed as Nuvo Pharma Inc. ("Nuvo Pharma"). The transaction is expected to generally occur on a tax-exempt basis and that the ownership and shares outstanding of the two resulting entities – Nuvo Pharma and Crescita – will be identical to that of Nuvo immediately prior to the Transaction. For clarity, each of the resulting companies will be 100% owned by the current shareholders of Nuvo.

Nuvo Pharma will be led by John C. London as President and Chief Executive Officer and will retain the core commercial-stage, specialty pharmaceutical assets of Nuvo, consisting of the Pennsaid® franchise

(Pennsaid and Pennsaid 2%) and the heated lidocaine/tetracaine ("HTL") patch franchise, including the Synera® patch. Nuvo Pharma will also own the manufacturing facility located in Varennes, Quebec that produces Pennsaid, Pennsaid 2%, and the bulk drug products for the HLT patch. Nuvo Pharma will adequate cash resources to fully execute the current business plan. Nuvo Pharma will be positioned as a profitable specialty pharmaceutical company with growing revenues and strong growth potential.

The topical products and topical drug delivery assets of Nuvo will be transferred to Crescita on an "as is", "where is" basis and it is intended that a separation agreement will provide for a full and complete mutual discharge of all existing or future arising liabilities between the Companies and contain a mutual indemnity. The Nuvo assets transferred to Crescita will be: Oxoferrin, Ibuprofen Foam, Terbinafine solution, Flexicaine, Mical 1, and Mical 2, Pliaglis, and the drug delivery platform technologies MMPE™ (Multiplexed Molecular Penetration Enhancer) and Durapeel™. Crescita will have an initial capitalization of approximately $35,000,000 dollars which will be derived from Nuvo's cash position immediately prior to the completion of the Transaction and it is anticipated that this will be adequate capital to fund up to 24 months of the planned operations of Crescita. Crescita will be positioned in the capital markets as a drug development and reformulation company with a diversified portfolio of assets in the areas of topical pain relief, dermatology, and allergic rhinitis. Crescita will be led by Daniel N. Chicoine as Chairman and Chief Executive Officer.

Scope of Review

In connection with rendering the Fairness Opinion, Bloom Burton reviewed the Management Information Circular, the Arrangement and other related agreements and other publicly available financial and business information pertaining to Nuvo and the Transaction. We also reviewed certain other information pertaining to Nuvo, Nuvo Pharma, and Crescita including financial forecasts provided to us by Management of Nuvo and certain other information related to the commercial, regulatory, medical, scientific and intellectual property aspects of each of the Companies' current and potential future operations. Bloom Burton additionally reviewed and considered financial and stock market information pertaining to Nuvo as well as data for other companies that, in our professional judgement, we deemed similar to Nuvo. We also considered the financial terms of select business combinations or other transactions that we deemed relevant to the Transaction and certain other information, market research, financial and economic analysis, other capital markets criteria and discussions (including discussions with senior management, and other third parties) as we considered necessary and appropriate in the circumstances. Bloom Burton has not, to the best of its knowledge, been denied access by Nuvo to any information under its control requested by Bloom Burton. Bloom Burton did not meet with the auditors of Nuvo and has assumed the accuracy and fair presentation of, and relied upon, the audited financial statements of Nuvo and the reports of the auditors thereon.

Assumptions and Limitations

We have relied upon the completeness, accuracy and fair presentation of all financial information, business plans, forecasts and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by Nuvo and any of its directors, officers, associates, affiliates, consultants, advisors and representatives, as applicable, or otherwise obtained pursuant to our engagement relating to Nuvo and its associates and affiliates, and to the Transaction (collectively, the "Information"). The Fairness Opinion is conditional upon such completeness, accuracy and fair presentation of such Information. Subject to the exercise of professional judgment, Bloom Burton has not been requested to, or attempted to verify independently the completeness, accuracy or fair presentation of any of the Information. We have not conducted or been provided with any valuation or appraisal of any assets or liabilities, nor have we evaluated the solvency of Nuvo under any provincial or federal laws relating to bankruptcy, insolvency or similar matters. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or the facilities of Nuvo.

With respect to any financial models, forecasts, projections, estimates and/or budgets prepared by Nuvo and provided to Bloom Burton and used in its analyses, Bloom Burton notes that projecting future results of any company is inherently subject to uncertainty. Bloom Burton has assumed, however, that such financial models, forecasts, projections, estimates and/or budgets were prepared using the assumptions identified therein, which, in the opinion of Nuvo, are (or were at the time and continue to be) reasonable in the circumstances. Bloom Burton expresses no view as to the reasonableness of such financial models, financial analyses, forecasts, projections, estimates and/or budgets or the assumptions on which they were based.

In preparing the Fairness Opinion, Bloom Burton has made several assumptions, including that all of the conditions required to complete the Transaction will be met and that the disclosure to be provided in the Management Information Circular to be delivered to shareholders with respect to the Transaction will be accurate in all material respects.

The Fairness Opinion is rendered as at the date hereof and on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of Nuvo, as they are reflected in the Information and as they were represented to Bloom Burton in its discussions with management. In its analyses and in connection with the preparation of the Fairness Opinion, Bloom Burton made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, which are beyond the control of Bloom Burton and/or any party involved in the Transaction. It should be understood that subsequent developments may affect the Fairness Opinion and that Bloom Burton does not have any obligation to update, revise, or reaffirm the Fairness Opinion. Bloom Burton is expressing no opinion herein as to the price at which the common shares, warrants, or any other securities of Nuvo, Nuvo Pharma or Crescita will trade at any future time.

The Fairness Opinion is provided for the use of the Board only and may not be disclosed, referred to, or communicated to, or relied upon by, any third party without the express prior written consent of Bloom Burton. Notwithstanding the foregoing, Bloom Burton has consented to the inclusion of the Fairness Opinion in its entirety and a summary of the terms of the engagement of Bloom Burton by the Company, the qualifications of Bloom Burton and the services of Bloom Burton in the Management Information Circular to be delivered to shareholders in connection with the meeting to approve the Transaction and to the filing thereof, as required, by Nuvo with the securities commissions or similar regulatory authorities in Canada or other applicable jurisdictions.

Bloom Burton disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion which may come or be brought to the attention of Bloom Burton after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Fairness Opinion after the date hereof, Bloom Burton reserves the right to change, modify or withdraw the Fairness Opinion.

Bloom Burton believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Fairness Opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. The Fairness Opinion is not to be construed as a recommendation to any shareholder as to whether to vote in favour of the Transaction.

Fairness Analysis

Approach to Analyzing Fairness

Based on the structure of the Transaction as a reorganization or a 'spinoff' with no quantifiable consideration being paid to Nuvo shareholders and no change in any given shareholders total ownership of the current assets of Nuvo, the analysis of fairness addressed the following question: Does the Proposed Transaction reduce or in any way impair the likelihood or potential that Nuvo's shareholders will ultimately derive the maximum realizable total value from the current Nuvo assets that will be divided between Nuvo Pharma and Crescita? To address this question in considering the fairness of the Transaction, from a financial point of view, to the shareholders of Nuvo, Bloom Burton principally considered three areas: 1) a review of the stated strategic and capital markets rationale for executing the Transaction; 2) the comparison of the current and historical market valuation of Nuvo to the estimated fair market value of Nuvo Pharma and Crescita; and 3) a review of historical spinoff transactions with consideration of the potential effects of the Transaction.

1. *Review of Strategic and Capital Markets Rationale*

   Bloom Burton reviewed the stated rationale for the Transaction as to whether, in the professional judgement of Bloom Burton, the claims were reasonable and justified. We also examined the current and historical valuations of Nuvo relative to the estimated value of Nuvo Pharma and Crescita (see below) as well as relative to Nuvo's current and historical net cash per share to assess if Nuvo is currently (or has been historically) undervalued and, if so, does the Transaction have the potential to "unlock" value in the Company.

2. *Valuation Comparison*

   The current and historical valuations of Nuvo were compared to the estimated fair market value ("FMV") of Nuvo Pharma and Crescita on a standalone and aggregated basis. In this context we defined FMV as the estimate of the market value of each Company or asset group, based on what a knowledgeable, willing, and unpressured buyer would probably pay to a knowledgeable, willing, and unpressured seller in the market for such a Company or group of assets. We estimated the FMV of each of the Companies using discounted cash flow models and public trading comparables valuation approaches.

3. *Comparable Transactions and Implications of the Transaction*

   We examined precedent spinoff transactions for public healthcare and life science companies and considered various hypothetical alternative scenarios for Nuvo to pursue and the potential implications of such alternative scenarios for shareholders. We also considered the effects of the Transaction on the ability of each the Companies to finance future growth, the anticipated liquidity for Nuvo shareholders, the effect of duplicating public company costs, and the implications on potential partnering and/or merger and acquisition activities for the Nuvo assets in isolation or the Company as a whole.

Finally, Bloom Burton assessed the overall process surrounding the reaching of the definitive terms for the Transaction to determine if all reasonable efforts were made to ensure that the value received from the Transaction was fair based on the projected future financial performance of Nuvo and the current market conditions in the specialty pharmaceutical industry and the broader capital markets.

Fairness Conclusion

Based upon and subject to the foregoing, Bloom Burton is of the opinion that, as of the date hereof, the Transaction is fair from a financial point of view to the shareholders of Nuvo.

Yours truly,

BLOOM BURTON & CO. LIMITED

Jolyon Burton
CEO & Head of Investment Banking

APPENDIX I

SECTION 185 OF THE *BUSINESS CORPORATIONS ACT (ONTARIO)*

Rights of dissenting shareholders

185. (1) Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

(a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;

(b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;

(c) amalgamate with another corporation under sections 175 and 176;

(d) be continued under the laws of another jurisdiction under section 181; or

(e) sell, lease or exchange all or substantially all its property under subsection 184 (3),

a holder of shares of any class or series entitled to vote on the resolution may dissent. R.S.O. 1990, c. B.16, s. 185 (1).

Idem

(2) If a corporation resolves to amend its articles in a manner referred to in subsection 170 (1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,

(a) clause 170 (1) (a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or

(b) subsection 170 (5) or (6). R.S.O. 1990, c. B.16, s. 185 (2).

One class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares. 2006, c. 34, Sched. B, s. 35.

Exception

(3) A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,

(a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or

(b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986. R.S.O. 1990, c. B.16, s. 185 (3).

Vicwest Shareholder's right to be paid fair value

(4) In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted. R.S.O. 1990, c. B.16, s. 185 (4).

No partial dissent

(5) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (5).

Objection

(6) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent. R.S.O. 1990, c. B.16, s. 185 (6).

Idem

(7) The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6). R.S.O. 1990, c. B.16, s. 185 (7).

Notice of adoption of resolution

(8) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection. R.S.O. 1990, c. B.16, s. 185 (8).

Idem

(9) A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights. R.S.O. 1990, c. B.16, s. 185 (9).

Demand for payment of fair value

(10) A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares. R.S.O. 1990, c. B.16, s. 185 (10).

Certificates to be sent in

(11) Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent. R.S.O. 1990, c. B.16, s. 185 (11).

Note: On a day to be named by proclamation of the Lieutenant Governor, subsection (11) is amended by striking out "the certificates representing" and substituting "the certificates, if any, representing". See: 2011, c. 1, Sched. 2, ss. 1 (9), 9 (2).

Idem

(12) A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section. R.S.O. 1990, c. B.16, s. 185 (12).

Endorsement on certificate

(13) A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (13).

Rights of dissenting shareholder

(14) On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

(a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);

(b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or

(c) the directors revoke a resolution to amend the articles under subsection 168 (3), terminate an amalgamation agreement under subsection 176 (5) or an application for continuance under subsection 181 (5), or abandon a sale, lease or exchange under subsection 184 (8),

in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10), and the dissenting shareholder is entitled, upon presentation and surrender to the corporation or its transfer agent of any certificate representing the shares that has been endorsed in accordance with subsection (13), to be issued a new certificate representing the same number of shares as the certificate so presented, without payment of any fee. R.S.O. 1990, c. B.16, s. 185 (14).

Note: On a day to be named by proclamation of the Lieutenant Governor, subsection (14) is amended by striking out "and the dissenting shareholder is entitled, upon presentation and surrender to the corporation or its transfer agent of any certificate

representing the shares that has been endorsed in accordance with subsection (13), to be issued a new certificate representing the same number of shares as the certificate so presented, without payment of any fee" at the end. See: 2011, c. 1, Sched. 2, ss. 1 (10), 9 (2).

Note: On a day to be named by proclamation of the Lieutenant Governor, section 185 is amended by adding the following subsections:

Same

(14.1) A dissenting shareholder whose rights are reinstated under subsection (14) is entitled, upon presentation and surrender to the corporation or its transfer agent of any share certificate that has been endorsed in accordance with subsection (13),

(a) to be issued, without payment of any fee, a new certificate representing the same number, class and series of shares as the certificate so surrendered; or

(b) if a resolution is passed by the directors under subsection 54 (2) with respect to that class and series of shares,

(i) to be issued the same number, class and series of uncertificated shares as represented by the certificate so surrendered, and

(ii) to be sent the notice referred to in subsection 54 (3). 2011, c. 1, Sched. 2, s. 1 (11).

Same

(14.2) A dissenting shareholder whose rights are reinstated under subsection (14) and who held uncertificated shares at the time of sending a notice to the corporation under subsection (10) is entitled,

(a) to be issued the same number, class and series of uncertificated shares as those held by the dissenting shareholder at the time of sending the notice under subsection (10); and

(b) to be sent the notice referred to in subsection 54 (3). 2011, c. 1, Sched. 2, s. 1 (11).

See: 2011, c. 1, Sched. 2, ss. 1 (11), 9 (2).

Offer to pay

(15) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,

(a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (15).

Idem

(16) Every offer made under subsection (15) for shares of the same class or series shall be on the same terms. R.S.O. 1990, c. B.16, s. 185 (16).

Idem

(17) Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made. R.S.O. 1990, c. B.16, s. 185 (17).

Application to court to fix fair value

(18) Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (18).

Idem

(19) If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow. R.S.O. 1990, c. B.16, s. 185 (19).

Idem

(20) A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19). R.S.O. 1990, c. B.16, s. 185 (20).

Costs

(21) If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders. R.S.O. 1990, c. B.16, s. 185 (21).

Notice to shareholders

(22) Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

(a) has sent to the corporation the notice referred to in subsection (10); and

(b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made,

of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions. R.S.O. 1990, c. B.16, s. 185 (22).

Parties joined

(23) All dissenting shareholders who satisfy the conditions set out in clauses (22)(a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application. R.S.O. 1990, c. B.16, s. 185 (23).

Idem

(24) Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (24).

Appraisers

(25) The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (25).

Final order

(26) The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22) (a) and (b). R.S.O. 1990, c. B.16, s. 185 (26).

Interest

(27) The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment. R.S.O. 1990, c. B.16, s. 185 (27).

Where corporation unable to pay

(28) Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (28).

Idem

(29) Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,

(a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders. R.S.O. 1990, c. B.16, s. 185 (29).

Idem

(30) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,

(a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities. R.S.O. 1990, c. B.16, s. 185 (30).

Court order

(31) Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission. 1994, c. 27, s. 71 (24).

Commission may appear

(32) The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation. 1994, c. 27, s. 71 (24).

APPENDIX J

INTERIM ORDER

Court File No.: CV-15-11229-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	) THURSDAY, THE 7TH
	)
JUSTICE NEWBOULD	) DAY OF JANUARY, 2016

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16, AS AMENDED, AND RULES 14.05(2) AND 14.05(3) OF THE *RULES OF CIVIL PROCEDURE*

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING NUVO RESEARCH INC., ITS SECURITYHOLDERS, 2487001 ONTARIO LIMITED AND 2487002 ONTARIO LIMITED

NUVO RESEARCH INC.

Applicant

INTERIM ORDER
(January 7, 2016)

THIS MOTION made by the Applicant, Nuvo Research Inc. ("Nuvo"), for an interim order for advice and directions pursuant to section 182 of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended (the "OBCA"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Notice of Application issued on December 16, 2015 and the affidavit of Stephen Lemieux sworn January 4, 2016 (the "Lemieux Affidavit"), including the Plan of Arrangement, which is attached as Appendix "A" to the Arrangement Agreement made as of December 14, 2015 (the "Arrangement Agreement"), which is attached as Exhibit "A" to the Lemieux Affidavit, and including the draft management information circular (the "Circular") of Nuvo, which is attached as Exhibit "B" to the Lemieux Affidavit, and on hearing the submissions of counsel for Nuvo,

Definitions

1. **THIS COURT ORDERS** that all definitions used in this Interim Order shall have the meaning ascribed thereto in the Circular or otherwise as specifically defined herein.

The Meeting

2. **THIS COURT ORDERS** that Nuvo is permitted to call, hold and conduct a special meeting (the "Meeting") of holders (the "Shareholders") of common shares in the capital of Nuvo (the "Common Shares"), to be held at the International Plaza Hotel, 655 Dixon Road, Toronto, Ontario, on February 18, 2016 at 9:00 a.m. (Toronto time) in order for the Shareholders to, among other things, consider and, if determined advisable, pass a special resolution authorizing, adopting and approving, with or without variation, the Arrangement and the Plan of Arrangement (collectively, the "Arrangement Resolution").

3. **THIS COURT ORDERS** that the Meeting shall be called, held and conducted in accordance with the OBCA, the notice of special meeting of Shareholders, which accompanies the Circular (the "Notice of Meeting") and the articles and by-laws of Nuvo, subject to what may be provided hereafter and subject to further order of this Honourable Court.

4. **THIS COURT ORDERS** that the record date (the "Record Date") for determination of the Shareholders entitled to notice of, and to vote at, the Meeting shall be January 5, 2016 at the close of business.

5. **THIS COURT ORDERS** that the only persons entitled to attend or speak at the Meeting shall be:

   (a) the Shareholders or their respective proxyholders;

   (b) the officers, directors, auditors and advisors of each of Nuvo, 2487001 Ontario Limited ("Holdco") and 2487002 Ontario Limited ("Subco"); and

   (c) other persons who may receive the permission of the Chair of the Meeting.

6. **THIS COURT ORDERS** that Nuvo may transact such other business at the Meeting as is contemplated in the Circular, or as may otherwise be properly before the Meeting.

Quorum

7. **THIS COURT ORDERS** that the Chair of the Meeting shall be determined by Nuvo and that the quorum at the Meeting shall be not less than two persons present in person at the opening of the Meeting who are entitled to vote at the meeting either as Shareholders or proxyholders.

Amendments to the Arrangement and Plan of Arrangement

8. **THIS COURT ORDERS** that Nuvo is authorized to make, subject to the terms of the Arrangement Agreement, and paragraph 9, below, such amendments, modifications or supplements to the Arrangement and the Plan of Arrangement as it may determine without any additional notice to the Shareholders, or others entitled to receive notice under paragraphs 12 and 13 hereof, and the Arrangement and Plan of Arrangement, as so amended, modified or supplemented shall be the Arrangement and Plan of Arrangement to be submitted to the Shareholders at the Meeting and shall be the subject of the Arrangement Resolution. Amendments, modifications or supplements may be made following the Meeting, but shall be subject to review and, if appropriate, further direction by this Honourable Court at the hearing for the final approval of the Arrangement.

9. **THIS COURT ORDERS** that, if any amendments, modifications or supplements to the Arrangement or Plan of Arrangement as referred to in paragraph 8, above, would, if disclosed, reasonably be expected to affect a Shareholder's decision to vote for or against the Arrangement Resolution, notice of such amendment, modification or supplement shall be distributed, subject to further order of this Honourable Court, by press release, newspaper advertisement, prepaid ordinary mail, or by the method most reasonably practicable in the circumstances, as Nuvo may determine.

Amendments to the Circular

10. **THIS COURT ORDERS** that Nuvo is authorized to make such amendments, revisions and/or supplements to the draft Circular as it may determine and the Circular, as so amended, revised and/or supplemented, shall be the Circular to be distributed in accordance with paragraphs 12 and 13.

Adjournments and Postponements

11. **THIS COURT ORDERS** that Nuvo, if it deems advisable and subject to the terms of the Arrangement Agreement, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders respecting the adjournment or postponement, and notice of any such adjournment or postponement shall be given by such method as Nuvo may determine is appropriate in the circumstances. The Record Date will not change as a result of any adjournments or postponements of the Meeting. This provision shall not limit the authority of the Chair of the Meeting in respect of adjournments and postponements.

Notice of Meeting

12. **THIS COURT ORDERS** that, in order to effect notice of the Meeting, Nuvo shall send the Circular (including the Notice of Application and this Interim Order), the Notice of Meeting and the form of proxy, along with such amendments or additional documents as Nuvo may determine are necessary or desirable and are not inconsistent with the terms of this Interim Order (collectively, the "Meeting Materials"), to the following:

(a) the registered Shareholders as at the close of business on the Record Date, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting, by one or more of the following methods:

(i) by pre-paid ordinary or first class mail at the addresses of the registered Shareholders as they appear on the books and records of Nuvo, or its registrar and transfer agent, at the close of business on the Record Date and if no address is shown therein, then the last address of the person known to the Secretary of Nuvo;

(ii) by delivery, in person or by recognized courier service or inter-office mail, to the address specified in (i) above; or

(iii) by facsimile or electronic transmission to any registered Shareholder, who is identified to the satisfaction of Nuvo, who requests such transmission in writing and, if required by Nuvo, who is prepared to pay the charges for such transmission;

(b) the non-registered Shareholders by providing sufficient copies of the Meeting Materials to intermediaries and registered nominees in a timely manner, in accordance with National Instrument 54-101 of the Canadian Securities Administrators; and

(c) the directors and auditor of Nuvo by delivery in person, by recognized courier service, by pre-paid ordinary or first class mail or, with the consent of the person, by facsimile or electronic transmission, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting;

and that compliance with this paragraph shall constitute sufficient notice of the Meeting.

13. **THIS COURT ORDERS** that, in the event that Nuvo elects to distribute the Meeting Materials, Nuvo is hereby directed to distribute the Circular (including the Notice of Application and this Interim Order), and any other

communications or documents determined by Nuvo to be necessary or desirable (collectively, the "Court Materials") to:

(i) the holders of outstanding options to purchase Common Shares (the "Nuvo Options") issued pursuant to Nuvo's share option plan;

(ii) the holders of share appreciation rights (the "Nuvo SARs") issued under Nuvo's share appreciation rights plan;

(iii) the holders of deferred share units (the "Nuvo DSUs") issued under Nuvo's deferred share unit plan for employees and Nuvo's deferred share unit plan for non-employee directors; and

(iv) the holders of Common Share purchase warrants (the "Nuvo Warrants") of Nuvo

by any method permitted for notice to Shareholders as set forth in paragraphs 12(a) or 12(b), above, concurrently with the distribution described in paragraph 12 of this Interim Order. Distribution to such persons shall be to their addresses as they appear on the books and records of Nuvo or its registrar and transfer agent as at 5:00 p.m. (Toronto time) on the Record Date.

14. **THIS COURT ORDERS** that accidental failure or omission by Nuvo to give notice of the Meeting or to distribute the Meeting Materials or Court Materials to any person entitled by this Interim Order to receive notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of Nuvo, or the non-receipt of such notice shall, subject to further order of this Honourable Court, not constitute a breach of this Interim Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of Nuvo, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

15. **THIS COURT ORDERS** that Nuvo is hereby authorized to make such amendments, revisions or supplements to the Meeting Materials and Court Materials as Nuvo may determine in accordance with the terms of the Arrangement Agreement ("Additional Information"), and that notice of such Additional Information may, subject to paragraph 9, above, be distributed by press release, newspaper advertisement, pre-paid ordinary mail, or by the method most reasonably practicable in the circumstances, as Nuvo may determine.

16. **THIS COURT ORDERS** that distribution of the Meeting Materials and Court Materials pursuant to paragraphs 12 and 13 of this Interim Order shall constitute notice of the Meeting and good and sufficient service of the within Application

upon the persons described in paragraphs 12 and 13 and that those persons are bound by any orders made on the within Application. Further, no other form of service of the Meeting Materials or the Court Materials, or any portion thereof need be made, or notice given or other material served in respect of these proceedings and/or the Meeting to such persons or to any other persons, except to the extent required by paragraph 9, above.

Solicitation and Revocation of Proxies

17. **THIS COURT ORDERS** that Nuvo is authorized to use the form of proxy substantially in the form of the draft accompanying the Circular, with such amendments and additional information as Nuvo may determine are necessary or desirable, subject to the terms of the Arrangement Agreement. Nuvo is authorized, at its expense, to solicit proxies, directly or through its officers, directors or employees, and through such agents or representatives as it may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine. Nuvo may waive generally, in its discretion, the time limits set out in the Circular for the deposit or revocation of proxies by Shareholders, if Nuvo deems it advisable to do so.

18. **THIS COURT ORDERS** that Shareholders shall be entitled to revoke their proxies in accordance with section 110(4) of the OBCA (except as the procedures of that section are varied by this paragraph) provided that any instruments in writing delivered pursuant to section 110(4)(a) of the OBCA: (a) may be deposited at the registered office of Nuvo or with the transfer agent of Nuvo as set out in the Circular; and (b) any such instruments must be received by Nuvo or its transfer agent not later than 5:00 p.m. (Toronto time) on the business day immediately preceding the Meeting (or any adjournment or postponement thereof).

Voting

19. **THIS COURT ORDERS** that the only persons entitled to vote in person or by proxy on the Arrangement Resolution, or such other business as may be properly brought before the Meeting, shall be those Shareholders of record at the close of business on the Record Date. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

20. **THIS COURT ORDERS** that votes shall be taken at the Meeting on the basis of one vote per Common Share and that in order for the Plan of Arrangement to be implemented, subject to further Order of this Honourable Court, the Arrangement Resolution must be passed, with or without variation, at the Meeting by an affirmative vote of at least two-thirds (66⅔%) of the votes cast in respect of the Arrangement Resolution by Shareholders present in person or

represented by proxy at the Meeting. Such votes shall be sufficient to authorize Nuvo to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on a basis consistent with what is provided for in the Circular without the necessity of any further approval by the Shareholders, subject only to final approval of the Arrangement by this Honourable Court.

21. **THIS COURT ORDERS** that in respect of matters properly brought before the Meeting pertaining to items of business affecting Nuvo (other than in respect of the Arrangement Resolution), each Shareholder is entitled to one vote for each Common Share held.

Dissent Rights

22. **THIS COURT ORDERS** that each registered Shareholder shall be entitled to exercise Dissent Rights in connection with the Arrangement Resolution in accordance with section 185 of the OBCA (except as the procedures of that section are varied by this Interim Order and the Plan of Arrangement) provided that, notwithstanding subsection 185(6) of the OBCA, any Shareholder who wishes to dissent must, as a condition precedent thereto, provide written objection to the Arrangement Resolution to Nuvo in the form required by section 185 of the OBCA and the Arrangement Agreement, which written objection must be received by Nuvo not later than 5:00 p.m. (Toronto time) on the last business day immediately preceding the Meeting (or any adjournment or postponement thereof), and must otherwise strictly comply with the requirements of the OBCA. For purposes of these proceedings, the "court" referred to in section 185 of the OBCA means this Honourable Court.

23. **THIS COURT ORDERS** that any registered Shareholder who duly exercises such Dissent Rights set out in paragraph 22 above and who:

(a) is ultimately determined by this Honourable Court to be entitled to be paid fair value for his, her or its Common Shares, shall be deemed to have transferred those Common Shares as of the Arrangement Time, without any further act or formality and free and clear of all liens, claims, encumbrances, charges, adverse interests or security interests to Nuvo for cancellation in consideration for a payment of cash from Nuvo equal to such fair value; or

(b) is for any reason ultimately determined by this Honourable Court not to be entitled to be paid fair value for his, her or its Common Shares pursuant to the exercise of the Dissent Right, shall be deemed to have participated in the Arrangement on the same basis and at the same time as any non-dissenting Shareholder;

but in no case shall Nuvo or any other person be required to recognize such Shareholders as holders of Common Shares at or after the Arrangement Date and the names of such Shareholders shall be deleted from Nuvo's register of holders of Common Shares at that time.

Hearing of Application for Approval of the Arrangement

24. **THIS COURT ORDERS** that upon approval by the Shareholders of the Plan of Arrangement in the manner set forth in this Interim Order, Nuvo may apply to this Honourable Court for final approval of the Arrangement.

25. **THIS COURT ORDERS** that distribution of the Notice of Application and the Interim Order, when sent in accordance with paragraphs 12 and 13, shall constitute good and sufficient service of the Notice of Application and this Interim Order and no other form of service need be effected and no other material need be served unless a Notice of Appearance is served in accordance with paragraph 26.

26. **THIS COURT ORDERS** that any Notice of Appearance served in response to the Notice of Application shall be served on the solicitors for Nuvo as soon as reasonably practicable, and, in any event, no less than three (3) business days before the hearing of this Application at the following addresses:

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Tom Friedland / Carlie Fox
Tel: (416) 979-2211
Fax: (416) 979-1234
Email: tfriedland@goodmans.ca / cfox@goodmans.ca
Lawyers for the Applicant

27. **THIS COURT ORDERS** that, subject to further order of this Honourable Court, the only persons entitled to appear and be heard at the hearing of the within application shall be:

(i) Nuvo;

(ii) Holdco;

(iii) Subco; and

(iv) any person who has filed a Notice of Appearance herein in accordance with the Notice of Application, this Interim Order and the *Rules of Civil Procedure*.

28. **THIS COURT ORDERS** that any materials to be filed by Nuvo in support of the within Application for final approval of the Arrangement may be filed up to one day prior to the hearing of the Application without further order of this Honourable Court.

29. **THIS COURT ORDERS** that in the event the within Application for final approval does not proceed on the date set forth in the Notice of Application, and is adjourned, only those persons who served and filed a Notice of Appearance in accordance with paragraph 26 shall be entitled to be given notice of the adjourned date.

Precedence

30. **THIS COURT ORDERS** that, to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating, governing or collateral to the Common Shares, Nuvo Options, Nuvo SARs, Nuvo DSUs, Nuvo Warrants or the articles or by-laws of Nuvo, this Interim Order shall govern.

Extra-Territorial Assistance

31. **THIS COURT** seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States or other country to act in aid of and to assist this Honourable Court in carrying out the terms of this Interim Order.

Variance

32. **THIS COURT ORDERS** that Nuvo shall be entitled to seek leave to vary this Interim Order upon such terms and upon the giving of such notice as this Honourable Court may direct.

(Signed) *Justice Newbould*

ENTERED at TORONTO this 7th day of January, 2016

(Stamped) [Court Seal]

IN THE MATTER OF AN APPLICATION UNDER SECTION 182, *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16, AS AMENDED

Court File No.: CV-15-11229-00CL

NUVO RESEARCH INC.
Applicant

J-11

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

INTERIM ORDER
(January 7, 2016)

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Tom Friedland LSUC#: 31848L
Carlie Fox LSUC#: 68414W

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Applicant,
Nuvo Research Inc.

APPENDIX K

NOTICE OF APPLICATION

Court File No.: CV-15-11229-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16, AS AMENDED, AND RULES 14.05(2) AND 14.05(3) OF THE *RULES OF CIVIL PROCEDURE*

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING NUVO RESEARCH INC., ITS SECURITYHOLDERS, 2487001 ONTARIO LIMITED AND 2487002 ONTARIO LIMITED

NUVO RESEARCH INC.

Applicant

(Stamped) [Court Seal]

NOTICE OF APPLICATION

TO THE RESPONDENTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing before a Judge presiding over the Commercial List on Wednesday, February 24, 2016 at 10:00 a.m., or as soon after that time as the application may be heard, at 330 University Avenue, Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date December 16, 2015 Issued by (Signed) *Bruna Gagliardi*
Local registrar

Address of court office: 330 University Avenue, 7th floor
Toronto, Ontario M5G 1E6

TO: **ALL HOLDERS OF COMMON SHARES OF NUVO RESEARCH INC., AS AT JANUARY 5, 2016**

AND TO: **ALL HOLDERS OF OPTIONS OF NUVO RESEARCH INC., AS AT JANUARY 5, 2016**

AND TO: **ALL HOLDERS OF SHARE APPRECIATION RIGHTS OF NUVO RESEARCH INC., AS AT JANUARY 5, 2016**

AND TO: **ALL HOLDERS OF DEFERRED SHARE UNITS OF NUVO RESEARCH INC., AS AT JANUARY 5, 2016**

AND TO: **ALL HOLDERS OF COMMON SHARE PURCHASE WARRANTS OF NUVO RESEARCH INC., AS AT JANUARY 5, 2016**

AND TO: **ERNST & YOUNG LLP**

Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, Ontario M5K 1J7

Attn: Paula J. Smith

Auditor to Nuvo Research Inc.

APPLICATION

1. **THE APPLICANT MAKES APPLICATION FOR:**

a) an interim Order for advice and directions pursuant to section 182(5) of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended (the "OBCA") with respect to a proposed arrangement (the "Arrangement") involving Nuvo Research Inc. ("Nuvo"), its securityholders, 2487001 Ontario Limited ("Holdco") and 2487002 Ontario Limited ("Subco");

b) a final Order approving the Arrangement pursuant to section 182(3) of the OBCA; and

c) such further and other relief as this Honourable Court may deem just.

2. **THE GROUNDS FOR THE APPLICATION ARE:**

a) Nuvo is a corporation incorporated under the laws of the Province of Ontario. Nuvo is a growing pharmaceutical company with a diverse portfolio of products and technologies for pain and topical indications. Nuvo's products range from U.S. Food and Drug Administration approved commercial products to development stage drug candidates and technology platforms. The common shares of Nuvo (the "Nuvo Common Shares") trade on the TSX under the symbol "NRI";

b) Holdco is a corporation formed under the laws of the Province of Ontario on October 14, 2015 in order to effect the Arrangement;

c) Subco is a corporation formed under the laws of the Province of Ontario on October 14, 2015 in order to effect the Arrangement;

d) pursuant to the Arrangement, among other things, Nuvo will split into two separate, publicly-traded companies. First, Nuvo will continue its specialty pharmaceutical business and become purely a commercial healthcare company to be called Nuvo Pharmaceuticals Inc. ("Post-Arrangement Nuvo"). Second, a new biotech development company will be created, to be called Crescita Therapeutics Inc. ("Crescita"), that will own and operate the drug development business, currently owned and operated by Nuvo and/or certain subsidiaries of Nuvo;

e) subject to the approval of the Arrangement Resolution by the required vote at the Meeting, the Arrangement will result in, among other things:

i) each holder of Nuvo Common Shares, other than those that have properly dissented in respect of the Arrangement Resolution, (the "Participating Shareholders") ultimately receiving one common share in the capital of Post-Arrangement Nuvo (a "Post-Arrangement Nuvo Common Share") and one common share in the capital of Crescita (a "Crescita Common Share") for each Nuvo Common Share held by such Participating Shareholder before the Arrangement. Immediately after giving effect to the Arrangement, Participating Shareholders will hold directly all of the outstanding Post-Arrangement Nuvo Common Shares and Crescita Common Shares;

ii) each holder of outstanding options to purchase Nuvo Common Shares (the "Nuvo Options") receiving for each Nuvo Option, one option to purchase a Post-Arrangement Nuvo Common Share (a "Post-Arrangement Nuvo Option") and one option to purchase a Crescita Common Share (a "Crescita Arrangement Option"). The original exercise price of each outstanding Nuvo Option will be allocated to the Post-Arrangement Nuvo Option and the Crescita Arrangement Option acquired by such holder in the exchange for such Nuvo Option;

iii) subject to Shareholder approval of an ordinary resolution approving, among other things, the issuance of Nuvo Common Shares and Crescita Common Shares in exchange for Nuvo DSUs and Nuvo SARs (the "SAR/DSU Resolution"), each holder of Nuvo deferred share units (the "Nuvo DSUs") receiving a number of Nuvo Common Shares that is equal to the number of Nuvo DSUs being exchanged. The Nuvo Common Shares exchanged for Nuvo DSUs will ultimately be exchanged for Post-Arrangement Nuvo Common Shares and Crescita Common Shares on the same terms as all Nuvo Common Shares. If the SAR/DSU Resolution is not approved at the Meeting, each holder of Nuvo DSUs will receive, for each Nuvo DSU exchanged, a cash payment equal to the five-day weighted average closing price of a Nuvo Common Share immediately preceding the last trading day prior to the Arrangement Date;

iv) subject to Shareholder approval of the SAR/DSU Resolution, each holder of outstanding Nuvo share appreciation rights (the "Nuvo SARs") receiving for each Nuvo SAR, one share appreciation right in Post-Arrangement Nuvo (a "Post-Arrangement Nuvo SAR") and one share appreciation right in Crescita (a "Crescita Arrangement SAR"). The original grant price of each outstanding Nuvo SAR that is exchanged will be allocated to the Post-Arrangement Nuvo SAR and the Crescita Arrangement SAR acquired by such holder on such exchange. If the SAR/DSU Resolution is not approved, each holder of Nuvo SARs will receive a cash settlement in accordance with the terms of the Amended and Restated Nuvo SARs Plan, attached as Exhibit IV to the Plan of Arrangement, and the Crescita SARs Plan, attached as Appendix P to the Circular;

f) the Arrangement is an "arrangement" within the meaning of subsection 182(1) of the OBCA;

g) all statutory requirements under the OBCA and any interim Order have been or will be satisfied by the return date of this Application;

h) the Arrangement is procedurally and substantively fair and reasonable overall;

i) if made, the Order approving the Arrangement will constitute the basis for an exemption from the registration requirements of the *Securities Act of 1933*, as amended, of the United States of America, with respect to the securities to be issued in the United States of America pursuant to the Arrangement;

j) section 182 of the OBCA;

k) certain securityholders are resident outside of Ontario and will be served at their addresses as they appear on the books and records of Nuvo as at January 5, 2016, pursuant to rule 17.02(n) of the *Rules of Civil Procedure* and the terms of any interim Order for advice and directions granted by this Honourable Court;

l) rules 14.05(2), 14.05(3) and 38 of the *Rules of Civil Procedure*; and

m) such further and other grounds as counsel may advise and this Honourable Court may permit.

3. **THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE APPLICATION:**

a) such interim Order as may be granted by this Honourable Court;

b) an affidavit to be sworn by Stephen Lemieux, on behalf of Nuvo, describing the Arrangement and outlining the basis for an interim Order for advice and directions, with exhibits thereto;

c) a further affidavit(s) to be sworn on behalf of Nuvo, reporting as to compliance with any interim Order and the results of any meeting conducted pursuant to such interim Order, with exhibits thereto; and

d) such further and other material as counsel may advise and this Honourable Court may permit.

December 16, 2015

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Tom Friedland LSUC#: 31848L
Carlie Fox LSUC#: 68414W

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Applicant,
Nuvo Research Inc.

IN THE MATTER OF AN APPLICATION UNDER SECTION 182, *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16, AS AMENDED

Court File No: CV-15-11129-00CL

NUVO RESEARCH INC.
Applicant

K-7

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF APPLICATION
(returnable February 24, 2016)

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Tom Friedland LSUC#: 31848L
Carlie Fox LSUC#: 68414W

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Applicant,
Nuvo Research Inc.

APPENDIX L

PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF NUVO

Nuvo Research® Inc.

Pro Forma Consolidated Financial Statements As at September 30, 2015 and for the Nine months ended September 30, 2015 and Year ended December 31, 2014 (unaudited)

NUVO RESEARCH INC.
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2015

Unaudited	Nuvo Pre-Arrangement	Deduct Crescita Carve Out	*Notes*	Pro Forma Adjustments	Nuvo Pro Forma
(Canadian dollars in thousands)	**$**	**$**		**$**	**$**
ASSETS					
CURRENT					
Cash	40,849	796	*2a*	(35,000)	5,053
Short-term investments	10,000	-		-	10,000
Accounts receivable	2,245	156		-	2,089
Inventories	2,108	397		-	1,711
Other current assets	1,154	93		-	1,061
TOTAL CURRENT ASSETS	56,356	1,442		(35,000)	19,914
NON-CURRENT					
Property, plant and equipment	1,233	78		-	1,155
TOTAL ASSETS	57,589	1,520		(35,000)	21,069
LIABILITIES AND EQUITY					
CURRENT					
Accounts payable and accrued liabilities	8,445	2,942	*2b(ii), 2b(iii)*	(790)	4,713
Current portion of other obligations	177	177		-	-
TOTAL CURRENT LIABILITIES	8,622	3,119		(790)	4,713
Other obligations	81	81		-	-
TOTAL LIABILITIES	8,703	3,200		(790)	4,713
EQUITY					
Common shares	234,189	**-**	*2b(iii),2c*	(104,443)	129,746
Contributed surplus	13,975	**-**	*2b(i),2c*	(6,230)	7,745
Accumulated other comprehensive income	1,077	1,077		-	-
Deficit	(200,355)	-	*2a,2b(i), 2b(ii), 2b(iii), 2c*	79,220	(121,135)
Owner's net investment	-	(2,757)	*2c*	(2,757)	-
TOTAL EQUITY	48,886	(1,680)		(34,210)	16,356
TOTAL LIABILITIES AND EQUITY	57,589	1,520		(35,000)	21,069

See accompanying Notes.

NUVO RESEARCH INC.
PRO FORMA CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
NINE MONTHS ENDED SEPTEMBER 30, 2015

Unaudited	Nuvo Pre-Arrangement	Deduct Crescita Carve Out	*Notes*	Pro Forma Adjustments	Nuvo Pro Forma
(Canadian dollars in thousands, except per share and share figures)	$	$		$	$
REVENUE					
Product sales	12,042	540		-	11,502
Royalties	1,045	168		-	877
Research and other contract revenue	422	-		-	422
Total revenue	13,509	708		-	12,801
OPERATING EXPENSES					
Cost of goods sold	7,041	315		-	6,726
Research and development expenses	8,115	7,107		-	1,008
General and administrative expenses	6,782	4,262	*2b(iii)*	29	2,549
Interest expense	31	31		-	-
Interest income	(404)	-	*2a*	404	-
Total operating expenses	21,565	11,715		433	10,283
OTHER (INCOME) EXPENSE					
Foreign currency (gain) loss	(647)	36		-	(683)
Net income (loss) before income taxes	(7,409)	(11,043)		(433)	3,201
Income tax expense	7	-		-	7
NET INCOME (LOSS)	(7,416)	(11,043)		(433)	3,194
Other comprehensive income to be reclassified to net income in subsequent periods					
Unrealized losses on translation of foreign operations	(47)	(47)		-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	(7,463)	(11,090)		(433)	3,194
Net income (loss) per common share –					
Basic	($0.68)		*3*		$0.29
Diluted	($0.68)		*3*		$0.28
Average number of common shares outstanding (in thousands)					
Basic	10,897		*3*		11,148
Diluted	10,897		*3*		11,454

See accompanying Notes.

NUVO RESEARCH INC.
PRO FORMA CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
YEAR ENDED DECEMBER 31, 2014

Unaudited	Nuvo Pre-Arrangement	Deduct Crescita Carve Out	*Notes*	Pro Forma Adjustments	Nuvo Pro Forma
(Canadian dollars in thousands, except per share and share figures)	$	$		$	$
REVENUE					
Product sales	6,470	638		-	5,832
Royalties	5,458	192		-	5,266
Research and other contract revenue	505	-		-	505
Licensing fees	624	-		-	624
Total revenue	13,057	830		-	12,227
OPERATING EXPENSES					
Cost of goods sold	5,537	279		-	5,258
Research and development expenses	8,051	7,473		-	578
General and administrative expenses	12,978	6,556	*2b(iii)*	(1,301)	5,121
Interest expense	713	52		-	661
Interest income	(199)	-	*2a*	199	-
Total operating expenses	27,080	14,360		(1,102)	11,618
OTHER EXPENSES (INCOME)					
Litigation settlement, net	(52,343)	-		-	(52,343)
Impairment of intangible assets	1,664	1,202		-	462
Gain on disposal of property, plant and equipment	(296)	-		-	(296)
Foreign currency gain	(1,657)	(131)		-	(1,526)
Other expense (income)	(52,632)	1,071		-	(53,703)
Net income (loss) before income taxes	38,609	(14,601)		1,102	54,312
Income tax expense	19	-		-	19
NET INCOME (LOSS)	38,590	(14,601)		1,102	54,293
Other comprehensive income to be reclassified to net income in subsequent periods					
Unrealized gains on translation of foreign operations	38	38		-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	38,628	(14,563)		1,102	54,293
Net income (loss) per common share –					
Basic	$3.85		*3*		$5.28
Diluted	$3.71		*3*		$4.98
Average number of common shares outstanding (in thousands)					
Basic	10,023		*3*		10,274
Diluted	10,392		*3*		11,097

See accompanying Notes.

NUVO RESEARCH® INC.
NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

Unless noted otherwise, all amounts shown are in thousands of Canadian dollars

Unaudited

1. BASIS OF PREPARATION

On September 14, 2015, the Board of Directors of Nuvo Research® Inc. (Nuvo) unanimously approved in principle, a transaction to separate the drug development operations of Nuvo (Crescita) to its shareholders as a separate publicly traded company, if approved by Nuvo shareholders. This distribution is to be implemented by way of a court-approved plan of arrangement under the Business Corporations Act (Ontario) (the Arrangement) and is subject to shareholder and regulatory approvals.

As a result of the Arrangement, shareholders will hold common shares of a new public company which will be called Crescita Therapeutics Inc., and retain common shares of Nuvo. Crescita will apply for its own listing on the Toronto Stock Exchange (TSX). In connection with the Arrangement, Nuvo will contribute an estimated $35 million of cash to Crescita.

The accompanying unaudited pro forma consolidated statement of financial position of Nuvo as at September 30, 2015 and the unaudited pro forma consolidated statements of income (loss) and comprehensive income (loss) of Nuvo for the nine months ended September 30, 2015 and the year ended December 31, 2014 (collectively, the Pro Formas) have been prepared by management to reflect the Arrangement.

Nuvo presents its financial statements in accordance with International Financial Reporting Standards (IFRS). The accounting policies used in the preparation of Nuvo's unaudited pro forma consolidated financial statements are those that are set out in Nuvo's audited consolidated financial statements for the year ended December 31, 2014.

The combined financial statements of Crescita have also been presented in accordance with IFRS on a carve-out basis from Nuvo. The basis of presentation of the Crescita combined financial statements is described in the notes to the audited combined financial statements for the year ended December 31, 2014 and the unaudited condensed combined interim financial statements for the nine months ended September 30, 2015.

The unaudited pro forma consolidated statement of financial position as at September 30, 2015 gives effect to the Arrangement as if it had occurred on September 30, 2015. The unaudited pro forma consolidated statements of income (loss) and comprehensive income (loss) for the nine months ended September 30, 2015 and the year ended December 31, 2014 give effect to the Arrangement as if it had occurred on January 1, 2014. The preparation of the Pro Formas required adjustments are described in Note 2.

The unaudited pro forma consolidated statement of financial position as at September 30, 2015 and the unaudited pro forma consolidated statement of income (loss) and comprehensive income (loss) for the nine months ended September 30, 2015 includes an adjustment to deduct the amounts presented in the unaudited combined financial statements of Crescita for the nine months ended September 30, 2015. The unaudited pro forma consolidated statement of income (loss) and comprehensive income (loss) for the year ended December 31, 2014 includes an adjustment to deduct the amounts presented in the audited combined financial statements of Crescita for the year ended December 31, 2014.

The Pro Formas should be read in conjunction with the audited consolidated financial statements and the audited combined financial statements for the year ended December 31, 2014 for Nuvo and Crescita, respectively, as well as the unaudited condensed consolidated interim financial statements and the unaudited condensed combined interim financial statements for the nine months ended September 30, 2015 for Nuvo and Crescita, respectively.

The Pro Formas have been prepared for illustrative purposes only and may not be indicative of the operating results or financial condition that would have been achieved if the Arrangement had been completed on the dates or for the periods presented, nor do they purport to project the results of operations or financial position for any future period or as of any future date. In addition to the pro forma adjustments, various other factors will have an effect on the financial condition and results of operations of Nuvo and Crescita after the completion of the Arrangement.

2. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The Pro Formas include the following assumptions and adjustments:

a) To reflect in the unaudited pro forma consolidated statement of financial position the estimated $35 million of cash to be contributed to Crescita by Nuvo in conjunction with the Arrangement and reverse in the unaudited pro forma consolidated statements of income the related interest income earned by Nuvo on the contributed funds. During the

nine months ended September 30, 2015 $404 of interest income was reversed and during the year ended December 31, 2015, a $199 of interest income was reversed.

b) To reflect amendments to Nuvo's stock-based incentive plans in conjunction with the Arrangement.

i. Each Nuvo stock option issued and outstanding at the effective date of the Arrangement will be exchanged for one Post-Arrangement stock option issued by Nuvo and one stock option issued by Crescita. The exchange of these options is accounted for as an acceleration of vesting. Accordingly, at the effective date of the Arrangement all unrecognized compensation relating to the original Nuvo stock options will be immediately recognized as a charge to income by Nuvo. This charge increased Nuvo's pro forma deficit at September 30, 2015 by $107 and increased pro forma contributed surplus by the same amount. No adjustment has been made to the unaudited pro forma consolidated statements of loss for this additional charge as it is non-recurring. Incremental fair value associated with the replacement stock options, if any, is expected to be immaterial.

ii. Each Nuvo cash-settled Stock Appreciation Right (SAR) issued and outstanding at the effective date of the Arrangement will be exchanged for one Post-Arrangement SAR issued by Nuvo and one Post-Arrangement SAR issued by Crescita, both of which can be equity-settled at the option of the holder. The exchange of these SARs is accounted for as a modification. Incremental fair value associated with the replacement SARs, if any, is expected to be immaterial. The liability existing at the effective date of the Arrangement is allocated between Nuvo and Crescita based on the Butterfly Proportion (see discussion in 2(c)). The amount by which the portion of the liability allocated to Crescita exceeds the amount recorded in Crescita's statement of financial position at the effective date of the Arrangement required a $45 decrease to Nuvo's accrued liabilities on the unaudited pro forma consolidated statement of financial and a corresponding reduction in Nuvo's deficit. If the holder of a replacement SAR does not have a future service requirement to the issuing entity, the compensation relating to the award that is unamortized at the effective date of the Arrangement will be immediately recognized as a charge to income. As it relates to Nuvo, this $278 charge increased Nuvo's accrued liabilities and increased Nuvo's deficit in the unaudited pro forma consolidated statement of financial position. No adjustment has been made to the unaudited pro forma consolidated statements of income for this additional charge as it is non-recurring.

iii. Each Nuvo cash-settled Deferred Share unit (DSU) issued and outstanding at the effective date of the Arrangement will be exchanged for a Nuvo common share. This exchange occurs immediately prior to the indirect exchange of each Nuvo common share for one Post-Arrangement Nuvo common share and one Post-Arrangement Crescita common share. All DSUs are fully vested at the effective date of the Arrangement. Settlement of the DSU liability existing at the effective date of the Arrangement will be recorded, net of estimated withholding tax, and common stock is increased by $1,712 on the unaudited pro forma statement of financial position. The portion of the DSU liability recorded in Nuvo's statement of financial position at the effective date of the agreement, net of withholding tax to be paid by Nuvo, is reversed through a $1,023 reduction of accrued liabilities in the unaudited pro forma consolidated statement of financial position and Nuvo's deficit is increased by $689 for the DSU accrual recorded in Crescita's statement of financial position at the effective date of the Arrangement which will be settled by Nuvo. Since the DSUs do not exist subsequent to the effective date of the Arrangement and Nuvo does not intend to issue cash-settled stock-based incentive awards subsequent to the effective date of the Arrangement, the portion of the compensation expense recognized by Nuvo that represents fair market value adjustments relating to the DSUs has been reversed in the unaudited pro forma consolidated statements of income. During the nine months ended September 30, 2015 a $29 revaluation recovery was reversed and during the year ended December 31, 2014, a $1,301 revaluation expense was reversed.

c) The amount of Nuvo's net investment in Crescita, which was recorded as owner's net investment in Crescita's combined financial statements, is reclassified to share capital, contributed surplus and deficit. Nuvo's common shares, contributed surplus and deficit are adjusted by the proportion of the relative fair market value of Crescita and Nuvo shares immediately before the Arrangement, which is consistent with the "Butterfly Proportion" used for purposes of the Arrangement. As this proportion cannot be determined until the time that the Arrangement is effected, an assumption of 45:55 (Crescita to remaining Nuvo) has been used for purposes of these Pro Formas. This is an assumption for illustrative purposes only and is not a reflection of expectations for subsequent market pricing.

3. PRO FORMA EARNINGS PER SHARE

The following table sets forth the calculation of pro forma basic and diluted earnings per share:

(in thousands, except per share and share figures)	**Nine months ended September 30, 2015**	**Year ended December 31, 2014**
Pro forma net income	$3,194	$54,293
Weighted average number of common shares outstanding of Nuvo	10,897	10,023
Nuvo common shares issued on DSU exchange	251	251
Pro forma weighted average number of common shares of Nuvo	11,148	10,274
Dilutive effect of stock-based compensation	306	823
Pro forma weighted average number of common shares of Nuvo assuming dilution	11,454	11,097
Pro forma earnings per share – basic	$0.29	$5.28
Pro forma dilutive effect of stock-based compensation	(0.01)	(0.30)
Pro forma earnings per share – diluted	$0.28	$4.98

The number of Nuvo common shares issued on DSU exchange is based on the estimated number of common shares to be issued to settle the number of DSUs outstanding as at September 30, 2015.

APPENDIX M

INFORMATION CONCERNING CRESCITA

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NOTICE TO READERS

Until the Arrangement is effected, Holdco will have no assets or liabilities, will conduct no operations and will not issue any shares in its capital stock. Until the Pre-Arrangement Transactions are effected, Subco will have no assets or liabilities, will conduct no operations and will not issue any shares in its capital stock. Pursuant to the Arrangement, Holdco and Subco will amalgamate and continue with the name "Crescita Therapeutics Inc.", which will be a public corporation independent from Nuvo. As used in this Appendix, "Crescita" means the corporation resulting from that amalgamation and, where applicable, includes its Subsidiaries. References to "Holdco" and "Subco" are to the current subsidiaries of Nuvo, 2487001 Ontario Limited and 2487002 Ontario Limited, respectively, prior to that amalgamation. In this Appendix, references to "we", "us" and "our" are references to Crescita, Holdco or Subco, as applicable. All capitalized words and phrases used in this Appendix and not otherwise defined herein have the meaning given to such words and phrases in the Glossary of Terms included in the Management Information Circular.

This Appendix is limited to a description of Crescita and the business and assets being transferred to Crescita as part of the Arrangement. Accordingly, the information set forth in this summary does not address all of the information that may be important to you as a shareholder of Nuvo and we urge you to review the more detailed information contained elsewhere in, or incorporated by reference into, the Management Information Circular for which this Appendix forms a part.

Unless otherwise indicated, the disclosure in this Appendix has been prepared assuming that the Pre-Arrangement Transactions and the Arrangement have been effected, that Crescita has become an independent public corporation and that Crescita was a stand-alone entity for all historical periods described. Where reference is made to historical financial information of Crescita in this Appendix it is the historical financial information of the Drug Development Business and other assets of Nuvo as they have been proposed to be transferred to Crescita under the Pre-Arrangement Transactions and the Arrangement and as if operated as a stand-alone entity for the periods presented. Unless otherwise indicated, such information has been derived from the Crescita Annual Combined Financial Statements and Crescita Interim Combined Financial Statements included in Schedule "A" to this Appendix. The financial information included in this Appendix does not necessarily reflect what Crescita's results of operations, financial position or cash flows would have been had Crescita actually been a stand-alone entity during the periods presented or had the Pre-Arrangement Transactions and the Arrangement been completed on the dates presented. See "*Risk Factors*". For certain financial information in respect of Holdco, see Schedule "B" to this Appendix.

This Appendix includes references to non-IFRS measures that do not have standardized meanings prescribed by IFRS, but are considered useful by management, investors and other financial stakeholders to assess Crescita's performance and management from a financial and operational standpoint. See the section of this Appendix entitled "*Management's Discussion and Analysis – Selected Financial – Non-IFRS Financial Measure*". None of these measures are measurements calculated in accordance with IFRS and they should not be considered as an alternative to net income or any other measure of performance calculated in accordance with IFRS. Similarly titled measures presented by other companies may have a different meaning and may not be comparable.

In order to facilitate the incorporation and organization of Holdco and Subco, one officer of Nuvo has been appointed to their respective Board of Directors on an interim basis. Unless otherwise indicated, references herein to the programs, policies, procedures, practices, guidelines, mandates and plans (collectively, the "**Programs and Policies**") of Crescita refer, in each case, to the Programs and Policies of Crescita which are expected to be formally ratified and adopted by the Crescita Board subsequent to the Arrangement. Each of the Programs and Policies are expected to be in substantially the same form as those presently in place at Nuvo and, unless otherwise indicated, the disclosure in respect thereof contained in this Appendix is presented on the assumption that the Programs and Policies have been formally ratified by the Crescita Board in such form and have been instituted at Crescita. Notwithstanding the foregoing, these Programs and Policies remain under review and, following completion of the Arrangement, it is expected that the Crescita Board will further review and, to the extent necessary, adjust such Programs and Policies to ensure that the specific requirements of Crescita and its operations are met. Accordingly, the disclosure contained in this Appendix in respect of Programs and Policies remains subject to revision prior or subsequent to the Arrangement Date.

All dollar references in this Appendix are in Canadian dollars unless otherwise indicated.

FORWARD-LOOKING INFORMATION

This Appendix includes statements that are prospective in nature that constitute forward-looking information and/or forward-looking statements within the meaning of applicable securities law (collectively, "**forward-looking statements**"). Forward-looking statements include, but are not limited to, statements concerning the completion and proposed terms of, and matters relating to, the Arrangement and the expected timing related thereto, the taxable nature of the Arrangement, the expected operations, financial results and condition of Crescita following the Arrangement, Crescita's future objectives and strategies to achieve those objectives, the future prospects of Crescita as an independent company, the listing of Crescita on the TSX, the estimated cash flow, capitalization and adequacy thereof for Crescita following the Arrangement, the expected benefits of the Arrangement to Shareholders and Crescita, the anticipated effects of the Arrangement, the estimated costs of the Arrangement, the satisfaction of the conditions to consummate the Arrangement, the expected terms of the Separation Agreement and other intercompany agreements, as well as other statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be

identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events.

Forward-looking statements reflect management's current beliefs, expectations and assumptions and are based on information currently available to management, management's historical experience, perception of trends and current business conditions, expected future developments and other factors which management considers appropriate. With respect to the forward-looking statements included in this Appendix, we have made certain assumptions with respect to, among other things, the anticipated approval of the Arrangement by Shareholders and the Court, the anticipated receipt of any required regulatory approvals and consents (including the final approval of the TSX), the expectation that each of Nuvo, Holdco, Subco and Crescita will comply with the terms and conditions of the Arrangement Agreement, the expectation that no event, change or other circumstance will occur that could give rise to the termination of the Arrangement Agreement, that no unforeseen changes in the legislative and operating framework for the business of Crescita will occur, that Crescita will meet its future objectives and priorities, that Crescita will have access to adequate capital to fund its future projects and plans, that Crescita's future projects and plans will proceed as anticipated, as well as assumptions concerning general economic and industry growth rates, commodity prices, currency exchange and interest rates and competitive intensity. As noted under "*Notice to Readers*", we have also assumed, unless the context otherwise requires, that the Arrangement has been effected and that Crescita has become an independent, public corporation for all historical periods described.

Readers are cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the future circumstances, outcomes or results anticipated or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve known and unknown risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated by such statements. Factors that could cause such differences include, but are not limited to, that the historical financial information of Crescita may not be representative of the results and financial condition that Crescita would have achieved as an independent entity, and, therefore, may not be reliable as an indicator of historical or future results, as well as general business and economic uncertainties and adverse market conditions. For a further description of these and other factors that could cause actual results to differ materially from the forward-looking statements included in this Appendix, see the risk factors discussed under "*Risk Factors*" in this Appendix and under "*Risk Factors*" in the Management Information Circular. This list is not exhaustive of the factors that may impact Crescita's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on Crescita's forward-looking statements. As a result of the foregoing and other factors, there can be no assurance that actual results will be consistent with these forward-looking statements.

All forward-looking statements included in this Appendix are qualified by these cautionary statements. The forward-looking statements contained herein are made as of the date of the Management Information Circular and except as required by applicable law, Nuvo and Crescita undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Readers are cautioned that the actual results achieved will vary from the information provided herein and that such variations may be material. Consequently, there are no representations by Nuvo or Crescita that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements. Reference should also be made to the section entitled "*Forward-Looking Information*" in the Management Information Circular.

THE ARRANGEMENT AND CORPORATE STRUCTURE

Pre-Arrangement Transactions

The Drug Development Business is owned and operated by Nuvo and/or certain subsidiaries of Nuvo. Prior to the Arrangement Time, (a) ownership of the Drug Development Business will be consolidated under Subco through the direct and indirect transfer to Subco of the shares of these subsidiaries and/or the assets and liabilities of Nuvo related to the Drug Development Business and (b) an estimated $35 million in cash will be transferred by Nuvo to Subco (the "**Pre-Arrangement Transactions**").

For a diagram setting out an abbreviated organizational structure immediately after giving effect to the Pre-Arrangement Transactions, and prior to the proposed Arrangement taking effect, see "*The Arrangement — Pre-Arrangement Transactions*" in the Management Information Circular of which this Appendix forms a part.

Corporate Structure

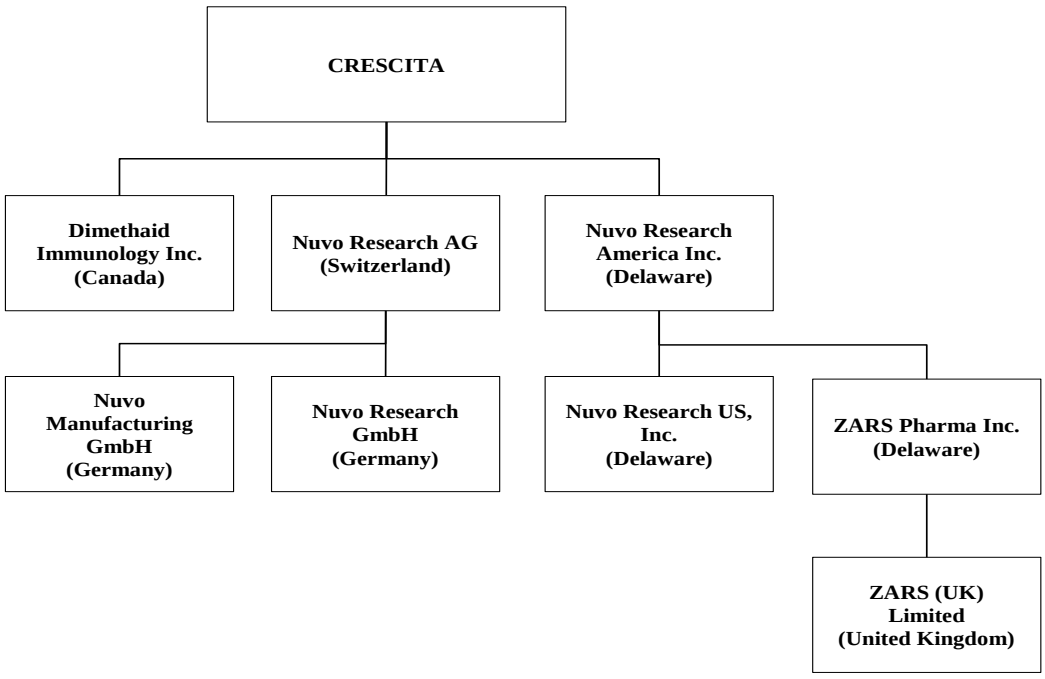
Holdco and Subco are corporations governed by the OBCA that were formed on October 14, 2015 for the purposes of implementing the Arrangement.

The Arrangement effects a series of transactions resulting in, among other things, the transfer of the Drug Development Business and an estimated $35 million in cash to Subco, the distribution to Participating Shareholders of all of the common shares of Holdco and the subsequent amalgamation of Holdco with Subco to form Crescita. Following the amalgamation, Crescita will be a new public company and will, both directly and indirectly through its subsidiaries, own the Drug Development Business. Immediately after giving effect to the Arrangement, Participating Shareholders will own 100% of the capital stock of Crescita. The Arrangement is described in more detail in the Management Information Circular to which this Appendix forms a part. See "*The Arrangement*". Until the Arrangement and the Pre-Arrangement Transactions are effected, neither Holdco nor Subco will have any assets or liabilities, will conduct any operations or will issue any shares in its capital stock.

Crescita will be governed by the OBCA and its head and registered office will be located at 7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4.

Organizational Chart

The organizational chart below shows Crescita and its material subsidiaries, including the jurisdiction of incorporation of each subsidiary, after giving effect to the Pre-Arrangement Transactions and the Arrangement (including the amalgamation of Holdco and Subco). Each material subsidiary will be a direct or indirect wholly-owned subsidiary of Crescita.



Dimethaid Immunology Inc.

In 1993, Dimethaid Immunology Inc. ("**Dimethaid Immunology**") was incorporated under the federal laws of Canada. It is responsible for the Canadian marketing and distribution of WF10 and other related products. Dimethaid Immunology currently has limited activity as WF10 and related products are not currently approved for sale in Canada.

Nuvo Research AG

Nuvo Research AG is a Swiss company headquartered in Fribourg, Switzerland. Nuvo Research AG owns all rights related to the WF10 patents and intellectual property.

Nuvo Research GmbH

In 2008, Nuvo Research GmbH ("**NRG**") was established as a wholly-owned German subsidiary of Nuvo Research AG. NRG's office and operations are located in Leipzig, Germany where it conducts and coordinates the R&D activities related to WF10.

Nuvo Manufacturing GmbH

Nuvo Manufacturing GmbH ("**NMG**") is a wholly-owned German subsidiary of Nuvo Research AG based in Wanzleben, Germany. NMG produces the active ingredient in WF10 and Oxoferin™ ("**Oxoferin**").

Nuvo Research America Inc.

In July 2011, Nuvo America Inc. ("**Nuvo America**") was incorporated in the State of Delaware as a wholly-owned subsidiary of Nuvo. In December 2011, Nuvo completed transactions that transferred ownership of its wholly-owned subsidiaries, Nuvo US and ZARS (each as defined below), to Nuvo America in exchange for additional shares of Nuvo America.

Nuvo Research US, Inc.

In 2005, Nuvo acquired all of the common shares of fqubed, Inc. ("**fqubed**"), a company based in San Diego, California. fqubed was subsequently renamed Nuvo Research US, Inc. ("**Nuvo US**") and incorporated in the State of Delaware. Nuvo US developed screening capabilities to identify innovative formulations that efficiently deliver active therapeutics into and through the skin. Nuvo used this technology to develop a portfolio of early stage drug formulations for topical administration. In 2011, Nuvo closed its operations in San Diego, but maintained much of the capability, technology and know-how by transferring key equipment and knowledge to other Nuvo facilities. In connection with the Arrangement, all such equipment and knowledge will be transferred to Crescita. Nuvo US is dormant.

ZARS Pharma, Inc.

In 2011, Nuvo acquired all of the shares of ZARS Pharma, Inc. ("**ZARS**"), a company based in Salt Lake City, Utah and incorporated in the State of Delaware. ZARS is a specialty pharmaceutical company focused on the development and commercialization of topically administered drugs, primarily for the treatment of pain, using its proprietary drug delivery technologies.

ZARS (UK) Limited

ZARS (UK) Limited ("**ZARS UK**") was incorporated in the United Kingdom and submitted the Pliaglis Marketing Authorization Application (the "**MAA**") in the E.U. and upon approval, subsequently transferred the MAA to Galderma Pharma S.A. ("**Galderma**"), a global pharmaceutical company specialized in dermatology. ZARS UK is a wholly-owned subsidiary of ZARS. ZARS UK was acquired by Nuvo through the acquisition of ZARS.

THE BUSINESS

General Description

Following the completion of the Pre-Arrangement Transactions and the Arrangement, Crescita will be a biotech company with a portfolio of products and technologies. Crescita will operate two distinct business units: the TPT Group and the Immunology Group. The TPT Group will have one commercial product, Pliaglis, that is licensed globally and a pipeline of topical and transdermal products focusing on various therapeutic areas, including pain and dermatology, and multiple drug delivery platforms that support the development of patented formulations that can deliver actives into or through the skin. The Immunology Group will have two commercial products, Oxoferin and WF10.

Three Year History

The following is a summary of significant developments in the Drug Development Business since January 1, 2012.

Fiscal 2015

- In January, Nuvo announced top line results of its Phase 2 clinical trial to investigate the safety and efficacy of WF10 in patients with refractory allergic rhinitis (the "**2014 WF10 Study**"). As expected, the WF10 arm reduced allergy symptoms as evidenced by recorded patient Total Nasal Symptom Scores ("**TNSS**"). The placebo arm demonstrated an unexpected reduction in patient TNSS scores that was not only greater than the placebo arm in Nuvo's 2010 Phase 2 proof-of-concept clinical study but also lasted much longer. While the WF10 arm and the 2 separate arms that included constituent elements of WF10 all performed better than placebo, the differences were not statistically significant;

- After reviewing the data from both the 2010 WF10 Study (as defined below) and 2014 WF10 Study and consulting external experts, Nuvo believes that the placebo group in the 2014 WF10 Study may not have recorded as a high TNSS and Total Ocular Symptom Score ("**TOSS**") compared to the 2010 WF10 Study due to a longer enrollment period that started later in the allergy season, varying environmental conditions and other factors that resulted in some patients in the 2014 WF10 Study not being exposed to a high enough concentration of the allergens that they were allergic to throughout the trial period. Nuvo therefore made the decision to conduct a new study that is a randomized, double-blind, placebo-controlled, single-center trial to assess the efficacy, safety and tolerability of a regimen of five WF10 infusions (the "**2015 WF10 Study**"). Patients who have a moderate to severe allergy to grass and ragweed pollen were enrolled in the trial. Patients' symptoms were recorded prior to commencement of the grass allergy season in an Environmental Exposure Chamber (an "**EEC**") in the field throughout the grass and ragweed allergy seasons and again in the EEC after completion of the ragweed season. The trial was conducted in southern Ontario, Canada by Inflamax Research Inc. ("**Inflamax**"), a full service, specialty Contract Research Organization ("**CRO**") that specializes in allergy, respiratory and EEC studies. In July, the CRO completed dosing of the 2015 WF10 Study. In December, Nuvo announced top line results of the 2015 WF10 study. The top line results showed that patients dosed with WF10 did not report a reduction in symptoms that was significantly better than patients dosed with a saline placebo at any of the endpoints being measured in the study. There was no significant difference in the performance of WF10 relative to placebo when patients were exposed to grass and ragweed pollen in the EEC or when they were exposed to naturally occurring allergens during the field portion of the study. The Company believes that the results are not sufficient to justify the further development of WF10 for the treatment of allergic rhinitis and plans to discontinue all WF10 development; and

- In December, Nuvo reacquired the development and marketing rights for Pliaglis for the U.S., Canada and Mexico. Under the terms of the agreement, Nuvo paid Galderma 125,000 Swiss Francs (approximately C$174,000) and will pay an additional 125,000 Swiss Francs (approximately C$174,000) upon transfer of certain rights and documents. Beginning in 2021, Nuvo has the right to reacquire the ROW rights on a country-by-country basis without additional compensation if Galderma does not achieve minimum sales targets. Galderma will continue to market Pliaglis in the U.S. and Canada and pay a royalty on net sales during an agreed upon transition period.

Fiscal 2014

- In March, Galderma launched the commercial sale and marketing of Pliaglis in Brazil;

- In April, Nuvo entered into a collaboration involving Ferndale Laboratories, Inc. ("**Ferndale**") and a leading CRO to develop two topical dermatology products based on Nuvo's patented Multiplexed Molecular Penetration Enhancer (MMPE™) technology ("**MMPE**'"); and

- In December, the United States Patent and Trademark Office (the "**USPTO**") granted U.S. Patent No. 8,911,797, relating to the use of formulations that include chlorite ions (such as WF10) to treat or inhibit allergy-like symptoms that include conjunctivitis in patients suffering from or at risk of developing allergic asthma, allergic rhinitis or atopic dermatitis. The patent expires in 2028.

Fiscal 2013

- Galderma launched the commercial sale and marketing of Pliaglis in the U.S. in March and in the E.U. in April;

- In May, the USPTO granted U.S. Patent No. 8,435,568 for the treatment of allergic asthma, allergic rhinitis and atopic dermatitis, using the existing formulation of WF10 and derivative formulations; and

- In October, Galderma received approval for the sale and marketing of Pliaglis in Brazil. Nuvo received a US$2.0 million milestone payment which related to the regulatory approval of Pliaglis in Brazil.

Fiscal 2012

- In February, Galderma submitted a Supplemental New Drug Application ("**sNDA**") for Pliaglis with the FDA that addressed a number of manufacturing issues, including the transfer of manufacturing to Galderma. The FDA accepted the submission and set a Prescription Drug User Fee Act ("**PDUFA**") date of April 16, 2012. On April 16, 2012, Galderma received a Complete Response Letter ("**CRL**") from the FDA that outlined additional information the FDA required before it would approve the sNDA for Pliaglis. In May 2012, Galderma submitted additional information that addressed all of the FDA's issues. On October 18, 2012, the FDA approved the sNDA;

- In May, Nuvo received notice of a positive opinion from the European decentralized procedure for the approval of Pliaglis from the German Federal Institute for Drugs and Medical Devices ("**BfArM**"). Nuvo received US$6.0 million in total milestone payments related to the regulatory approval of Pliaglis in Europe;

- In July, Nuvo expanded its existing partnerships with the Development Bank of Saxony ("**SAB**"), the University of Leipzig and the Fraunhofer Institute for Cell Therapy and Immunology IZI ("**Fraunhofer Institute**") to continue the development of WF10. The SAB committed to continue funding a portion of the cost of developing WF10 by way of €4.4 million of non-repayable funding. Total funding from the SAB to-date is €6.6 million towards a €10.8 million development program for WF10 with Nuvo providing the balance; and

- In August, the USPTO granted U.S. Patent No. 8,252,343 relating to WF10 for the treatment of allergic asthma, allergic rhinitis and atopic dermatitis, creating a potential commercial opportunity for the existing formulation of WF10.

Operating Segments

Crescita will have two primary operating segments: the TPT Group and the Immunology Group.

Topical Products and Technology Group

The TPT Group will develop drugs for a variety of therapeutic areas with a focus on dermatology and pain. The strategy of the TPT Group will be to in-license commercial or late stage assets as well as develop drugs internally that can be commercialized with a small, focused, sales force in North America, and outlicense in the rest of world to partners who will sell the products in their respective territories

The TPT Group will have one commercial topical product, Pliaglis, and multiple proprietary drug delivery platforms, which include MMPE and DuraPeel™ ("**Durapeel**").

Pliaglis

Pliaglis is a topical local anaesthetic cream that provides safe and effective local dermal anaesthesia on intact skin prior to superficial dermatological procedures, such as dermal filler injection, pulsed dye laser therapy, facial laser resurfacing and laser-assisted tattoo removal. This product contains lidocaine and tetracaine and utilizes 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 drug into the skin. Pliaglis should be applied to intact skin for 20 to 30 minutes prior to superficial dermatological procedures and for 60 minutes prior to laser-assisted tattoo removal. Following the application period, Pliaglis forms a pliable layer that is easily removed from the skin allowing the dermatological procedure to be performed with minimal to no pain.

Except as described below, Galderma holds the worldwide sales and marketing rights for Pliaglis. Under the terms of the licensing agreement, Nuvo earns (and following the completion of the Arrangement, Crescita will earn) royalties on the net sales of Pliaglis. The licensing agreement also provides for certain milestone payments upon the receipt of specified approvals and the occurrence of certain launches. Nuvo has earned all such milestone payments as per the terms of the agreement. Galderma is responsible for manufacturing Pliaglis. In December 2015, Nuvo reacquired the development and marketing rights for Pliaglis for the U.S., Canada and Mexico. Under the terms of the agreement, Nuvo paid Galderma 125,000 Swiss Francs (approximately C$174,000) and will pay an additional 125,000 Swiss Francs (approximately C$174,000) upon transfer of certain rights and documents. Beginning in 2021, Nuvo has the right to reacquire the ROW rights on a country-by-country basis without additional compensation if Galderma does not achieve minimum sales targets. Galderma will continue to market Pliaglis in the U.S. and Canada and pay a royalty on net sales during a transition period. Nuvo will receive a fixed single digit royalty on net sales in the territories outside of North America that Galderma still owns.

Pliaglis was launched in the U.S. market in March 2013 and in the E.U. in April 2013. In the E.U., the regulatory approval required a post-approval commitment study, the cost of which will be shared equally by Galderma and Nuvo (and following the completion of the Arrangement, by Galderma and Crescita). In South America, Pliaglis is approved and marketed in Brazil, Argentina and Columbia. Pliaglis was launched in Brazil in March 2014. Pliaglis is also approved and marketed in Canada. Nuvo understands that Galderma is seeking approvals in additional countries. However, there can be no assurance that any such approvals will be obtained, or the timing thereof.

Pliaglis has been studied in 2,048 adult and geriatric subjects in 28 studies evaluating its efficacy and safety including 14 Phase 2 studies and 12 placebo-controlled, Phase 3 clinical studies. Eleven of the 12 studies clearly demonstrated the efficacy of Pliaglis in providing highly statistically significant and clinically meaningful levels of topical local anaesthesia prior to a painful dermal procedure in a variety of locations on the body of adult and geriatric subjects.

Pipeline Expansion and Early Stage Drug Development

Crescita will have a broad portfolio of development stage products and proprietary platform technologies, including MMPE and DuraPeel. Crescita will not only develop products on its own but will also actively seek co-development partners to help advance its pipeline products and fund some or all of their development.

Topical Products and Technology Product Candidate Development Pipeline

The following table summarizes Crescita's key product candidates:

Product	Therapeutic Area	Stage of Development	Intellectual Property[1]
Ibuprofen Foam (5% ibuprofen)	Acute Pain	Preclinical	Patent issued in the U.S. and applications pending in EP and CA. Anticipated expiry date is 2031.
Terbinafine solution (terbinafine 10% solution)	Onychomycosis	Preclinical[2]	Patent granted in AU, the U.S. and Japan with latest expiry date in 2031. Applications pending in 4 other countries including EP. Latest anticipated expiry date is 2030.
Flexicaine (lidocaine 7% tetracaine/7% cream)	Postherpetic Neuralgia	Phase 2 clinical trial	Patents granted in AU, CN, Russia and the U.S. with latest expiring in 2031. Applications pending in a number of other countries including EP. Latest anticipated expiry date is 2031.
Mical 1[3]	Psoriasis	Preclinical	Patent granted in the U.S. expiring in 2027 and pending applications.
Mical 2[3]	Dermatological skin treatment	Preclinical	Patent granted in the U.S. expiring in 2027 and pending applications.

(1) Region and country abbreviations defined as follows: Australia (AU), Canada (CA), China (CN), Europe (EP), Russian Federation (RU), United States (U.S.).
(2) The Flexicaine Phase 2 clinical trial was conducted with the Pliaglis formulation. Future development will use the Flexicaine formulation.
(3) Mical is a product being developed under the Ferndale collaboration (see "*- Ferndale Collaboration*").

Ibuprofen Foam for the treatment of acute pain

Crescita plans on conducting a phase 2 clinical study in Germany for the relief of pain associated with acute, localized muscle or joint injuries such as sprains, strains or sport injuries in 2016 pending regulatory approval to conduct this study from the BfArM.

A number of additional trials may be needed before Ibuprofen Foam could be submitted for regulatory approval for the treatment of acute pain and strains or any other disease and there can be no assurance that the results of these additional trials would be favourable or that regulators would approve Ibuprofen Foam for these or other purposes. Any such trials and approvals would be expected to take a number of years.

Terbinafine Solution for the treatment of Onychomycosis

Crescita plans on conducting an additional preclinical and a proof-of-concept study to advance this formulation for the treatment of onychomycosis subject to regulatory approval to conduct this study and the required funding to advance this program.

A number of additional trials will be needed before the Terbinafine Solution could be submitted for regulatory approval for the treatment of onychomycosis or any other disease and there can be no assurance that the results of these additional trials would be favourable or that regulators would approve the Terbinafine Solution for these or other purposes. Any such trials and approvals would be expected to take a number of years.

Flexicaine for the treatment of Postherpetic Neuralgia

Crescita plans on conducting a phase 2 proof-of-concept study using Flexicaine for the treatment of postherpetic neuralgia subject to regulatory approval to conduct this study and the required funding to advance this program.

A number of additional trials will be needed before Flexicaine could be submitted for regulatory approval for the treatment of postherpetic neuralgia or any other disease and there can be no assurance that the results of these additional trials would be favourable or that regulators would approve Flexicaine for these or other purposes. Any such trials and approvals would be expected to take a number of years.

Ferndale Collaboration (Mical Formulations)

In April 2014, Nuvo entered into a collaboration agreement with Ferndale and a leading CRO to develop two topical dermatology products based on Nuvo's patented MMPE technology. Nuvo is currently developing both formulations, referred to as MiCal 1 and MiCal 2 in the table above. Under the terms of the collaboration agreement, Nuvo (and following the completion of the Arrangement, Crescita) will utilize its proprietary MMPE technology to formulate two patented topical dermatology product candidates. Once the formulations are complete, Ferndale, in collaboration with the CRO, will oversee and fund the formulations' advancement through Phase 2 clinical studies. It is anticipated that the product candidates will then be made available for out-licensing. Licensing revenues, including upfront payments, milestone payments and royalties will be shared by the parties based on a calculation that includes compensation to Nuvo (and following the completion of the Arrangement, Crescita) for contributing the patented formulations.

Immunology Group

The Immunology Group, based in Leipzig, Germany, is focused on developing drug products that modulate chronic inflammatory processes resulting in a therapeutic benefit. Such pathological, inflammatory processes play an important role in the onset of several diseases including allergic rhinitis, allergic asthma, rheumatoid arthritis and inflammatory bowel diseases.

WF10

WF10 is an immune system modulating drug containing chlorite and/or chlorate ions including its derivative formulations and dosage forms as formulated or developed by Nuvo. The immune system provides an essential defense to micro-organisms, cancer and substances it sees as foreign and potentially harmful.

It is believed that WF10 focuses on supporting the immune system by targeting the macrophage, a type of white blood cell that coordinates much of the immune system to regulate normal immune function. Normally functioning macrophages can alternate between one of two basic states: phagocytic and inflammatory. Phagocytic macrophages digest invading organisms, such as viruses, and initiate a biological defense pathway. Inflammatory macrophages induce a variety of reactions including fever, sweating, swollen glands, malaise and appetite loss, the common, uncomfortable signs of illness. Such responses, while entirely normal, must be turned on and off in a controlled manner. If left unchecked, pathogens can overdrive the system toward the inflammatory state creating an imbalance that may lead to such medical disorders as chronic inflammation, immune deficiency, organ damage and tumour proliferation.

It is believed that WF10's mode of activity is based on how macrophages regulate the immune system. Research suggests that, in some cases, WF10 may rebalance improperly functioning immune systems. The drug has potential applications in adjuvant cancer therapy, diseases related to immune deficiencies and the management of chronic viral infections.

Based on the concept that WF10 may rebalance improperly functioning immune systems, Nuvo's scientists have hypothesized that it may be effective for the treatment of conditions such as allergic rhinitis, where the body's immune system inappropriately responds to the presence of foreign allergens and rheumatoid arthritis, where autoimmunity plays a pivotal role in the progression of cartilage destruction in the joints. Autoimmunity is the failure of the body to recognize its own cells and tissues and, therefore, the body initiates an immune response against its own cells and tissues.

WF10 is approved in Thailand under the name "Immunokine" as an adjunct in the treatment of cancer to relieve post radiation therapy syndromes and as adjunctive therapy for diabetic foot ulcers.

WF10 Development for the Treatment of Allergic Rhinitis

(a) What is Allergic Rhinitis?

Allergic rhinitis is a highly prevalent condition characterized by nasal symptoms (runny, blocked or itchy nose; chronic sneezing) triggered by an inappropriate immune response to one or more allergens such as pollens, house dust mites and pet dander. Refractory allergic rhinitis patients usually show strong symptoms and do not respond adequately to common forms of treatment such as antihistamines or inhaled corticosteroids. It is estimated that there are 82 million allergy patients in the U.S., of which approximately 10 million suffer from allergic rhinitis that is refractory.

(b) Clinical Trials

(i) Single-Centre Phase 2a Trial

In 2010, Nuvo conducted a Phase 2 proof-of-concept clinical trial to evaluate WF10 as a treatment for persistent allergic rhinitis (the "**2010 WF10 Study**"). The trial was a 60-subject, randomized, double-blind, placebo-controlled, single-centre trial to assess the efficacy and safety of a regimen of five daily WF10 infusions. The trial met its primary endpoint as measured by the change in TNSS from baseline to assessment after three weeks comparing the WF10 group with the placebo group. The trial also met its secondary endpoints as measured by the change in TNSS at six, nine and twelve weeks and in the TOSS from baseline to assessment after three, six, nine and twelve weeks. The TNSS and TOSS are validated scales to measure nasal and ocular symptoms associated with allergic rhinitis. The results were statistically significant as the p-value for all primary and secondary endpoints was less than 0.001 except for the change in TOSS after three weeks for which the p-value was less than 0.003. WF10 was very well tolerated with a favourable safety profile. This trial also demonstrated that a short course of treatment (5 days) with WF10 resulted in a long-term treatment effect that persisted for the duration of the 12-week clinical trial. In an anecdotal follow-up 12 months after treatment, most of the patients that received WF10 reported that they were still obtaining relief from their allergic rhinitis symptoms.

(ii) 2014 WF10 Study

In December 2013, the BfArM authorized Nuvo to execute another Phase 2 clinical trial. This clinical trial was a 16-week, double-blind, placebo-controlled, Phase 2 clinical trial conducted in Germany to compare the safety and efficacy of WF10 and its main constituents (sodium chlorite and sodium chlorate) with saline in patients with refractory allergic rhinitis and to compare the safety and efficacy of WF10 and its main constituents. The trial measured TNSS and other secondary endpoints and was completed in December 2014 with 179 patients completing the trial of 184 patients who enrolled in the trial at 15 sites in Germany. The trial included three active arms (the "**Active Arms**"): WF10; WF10 with chlorate and sulphate removed; and WF10 with chlorite and sulphate removed.

Each of the Active Arms was compared to a placebo arm in which patients received saline. Active or placebo treatments were administered by five intravenous infusions given once per day during the first five days of the trial. The primary endpoint was change in TNSS from baseline to assessment after three weeks comparing the Active Arms with the placebo arm.

Topline Findings of the trial were:

- The WF10 arm demonstrated a reduction in TNSS over the course of the observation period, similar to the reduction in TNSS demonstrated in the WF10 arm in Nuvo's previous 2010 Phase 2 proof-of-concept study;
- The placebo arm demonstrated a reduction in TNSS over the course of the observation period that was significantly greater than demonstrated in the placebo arm of Nuvo's 2010 Phase 2 proof-of-concept study;
- Each of the Active Arms demonstrated a greater reduction in TNSS than placebo; however,
    A. the difference between the WF10 arm and the placebo arm did not achieve statistical significance 3 weeks after commencement of the trial which was the trial's primary endpoint; and
    B. the difference between the Active Arms and the placebo arm did not achieve statistical significance at measured time points over the course of the observation period; and
- Treatments administered in the Active Arms were well tolerated with favourable safety profiles.

(iii) 2015 WF10 Study

After reviewing the data from both the 2010 WF10 Study and 2014 WF10 Study and consulting external experts, Nuvo believes that the placebo group in the 2014 WF10 Study may not have recorded as high TNSS and TOSS scores compared to the 2010 WF10

Study due to a longer enrollment period that started later in the allergy season, varying environmental conditions and other factors that resulted in some patients in the 2014 WF10 Study not being exposed to a high enough concentration of the allergens that they were allergic to throughout the trial period. Nuvo therefore made the decision to conduct a new Phase 2 clinical trial to assess WF10 for the treatment of allergic rhinitis. The 2015 WF10 Study was a randomized, double-blind, placebo-controlled, single-centre trial to assess the efficacy, safety and tolerability of a regimen of five WF10 infusions. The trial enrolled patients who have a moderate to severe allergy to grass and ragweed pollen. Patients' symptoms were recorded prior to commencement of the grass allergy season in an ECC, in the field throughout the grass and ragweed allergy seasons and again in the EEC after completion of the ragweed season. In December, Nuvo announced top line results of the 2015 WF10 study. The top line results showed that patients dosed with WF10 did not report a reduction in symptoms that was significantly better than patients dosed with a saline placebo at any of the endpoints being measured in the study. There was no significant difference in the performance of WF10 relative to placebo when patients were exposed to grass and ragweed pollen in the EEC or when they were exposed to naturally occurring allergens during the field portion of the study. Nuvo believes that the results are not sufficient to justify the further development of WF10 for the treatment of allergic rhinitis and plans to discontinue all WF10 development.

(c) Funding

In July 2012, the SAB agreed to provide Nuvo with €4.4 million of funding to support a number of preclinical studies relating to WF10. These studies were conducted by Nuvo in partnership with the University of Leipzig and the Fraunhofer Institute and were focused on demonstrating the efficacy, safety and stability of WF10. The total cost of this development program was estimated to be €6.3 million and the SAB committed to provide up to €4.4 million in funding to support these projects, €3.7 million of which was provided to Nuvo's co-operative partners and €0.7 million of which was provided directly to Nuvo. The funding was in the form of a non-repayable reimbursement of specific development monies expended by Nuvo until October 2014.

(d) Commitments

In 2011, Nuvo acquired the 40% minority ownership interest in Nuvo Research AG in exchange for Nuvo common shares with an agreed upon value of US$1.7 million. Under the terms of the acquisition, the minority interest partner has the right to receive 6% of money received by Nuvo (and following the completion of the Arrangement, Crescita) from the outlicensing of WF10 and is eligible to receive 6% of any proceeds received by Nuvo (and following the completion of the Arrangement, Crescita) if it sells all or any portion of its interest in Nuvo Research AG.

Oxoferin

Oxoferin, a topical wound healing agent, contains the same active ingredient as WF10, but at a lower concentration. Chronic, hard-to-heal wounds are a serious problem with an increasing incidence. Chronic wounds can be caused by such conditions as burns, pressure sores and poor circulation in the lower extremities. Co-morbid conditions, such as diabetes and atherosclerosis, reduce blood flow to the extremities and also increase the likelihood of developing chronic wounds such as diabetic foot ulcers and venous ulcers.

Oxoferin is marketed by NMG and its partners in parts of Europe and Asia as a topical wound healing agent under the names Oxoferin and Oxovasin. The product is licensed to Sun Pharmaceutical Industries Ltd. ("**Sun Pharma**") for Malaysia, the Philippines, Vietnam, Singapore and other Indochina countries and Algeria, Tunisia and Morocco. In 2014, Sun Pharma received approval to market Oxoferin in Morocco, Malaysia and the Philippines and has launched in these territories. The product has not been approved or marketed in any of the other territories.

Nuvo's patents associated with Oxoferin have expired and Nuvo is exploring (and following the completion of the Arrangement, Crescita will explore) improved formulations of this product for which Nuvo has filed 9 patent applications that cover a new version of Oxoferin.

Manufacturing

Crescita will have a small manufacturing facility in Wanzleben, Germany that produces the active ingredient in WF10 and Oxoferin.

Intellectual Property

As a biotech company, the value of Crescita's drug development candidates and their future prospects depends heavily on Crescita establishing and protecting valid intellectual property rights. See "*Risk Factors – Patents, Trademarks and Proprietary Technology*".

Patents – Topical Products and Technology Group

Crescita will own intellectual property useful for drugs in the dermatology and pain therapeutic areas, including Pliaglis, Flexicaine, topical antifungal products, MMPE drug formulations and DuraPeel.

Pliaglis

Crescita will own two patent families which cover Pliaglis. Claims are directed to compositions of matter and methods of use. A number of patents have been issued in Austria, Belgium, Canada, China, Cyprus, Denmark, Finland, France, Germany, Great Britain, Greece, Ireland, Italy, Luxemburg, Monaco, Netherlands, Portugal, Spain, Sweden, Switzerland, and the U.S. Of the two patent families, the latest expiry date is 2019 in the U.S. and 2020 in countries outside of the U.S.

Crescita will pay royalties to two companies for 1% and 1.5% of net sales of Pliaglis.

Flexicaine

Crescita will own two distinct patent families relating to its Flexicaine formulation. Both families include composition of matter claims and method of use claims for treating neuropathic pain. The first family has patents granted in Australia, China, Russia and the U.S. Additional applications are pending in 5 other countries. The second family has a patent granted in Australia, and applications allowed in Mexico. Additional applications are pending in 6 other countries.

Topical Antifungals

Crescita will have an issued patent in Australia and the U.S., and an allowed application in Japan that will cover Crescita's novel onychomycosis product candidate. Additional applications are pending in 3 other jurisdictions.

MMPE Technology

A U.S. patent claiming certain combinations of particular molecular penetration enhancers ("**MPEs**") together with certain active drugs in topical formulations was issued on September 14, 2010 as U.S. Patent No. 7,795,309. Two related U.S. patents covering alternative topical formulations were issued on January 1, 2013 as U.S. Patent No. 8,343,962 and August 20, 2013 as U.S. Patent No. 8,513,304. In addition, U.S. patent applications covering other topical formulations were filed in 2013 and 2014. Crescita will also hold a royalty-free license for devices useful in assessing MPEs on the barrier properties of membranes which are covered by an issued U.S. patent.

DuraPeel Technology

Crescita will hold several patent families covering the DuraPeel technology platform. Claims are directed to composition of matter and methods of use in the treatment of pain, dermatitis and other conditions. Worldwide, there are 7 patent applications pending and 14 issued patents.

Foam Technology

Crescita will own a U.S. patent and pending applications in Canada and Europe covering DMSO-based foamable formulations.

Patents – Immunology Group

Crescita will own intellectual property useful for drugs that are thought to modulate chronic inflammation process, including WF10 and Oxoferin, and variant forms of WF10 and Oxoferin.

WF10

Crescita will own the following patents and patent applications covering WF10 and related formulations for the treatment of asthma, allergic rhinitis and atopic dermatitis.

In August 2012, the USPTO granted U.S. Patent No. 8,252,343 for the treatment of allergic asthma, allergic rhinitis and atopic dermatitis using the existing formulation of WF10. Similar patent applications are pending in Canada and allowed in Europe.

In May 2013, the USPTO granted Patent No. 8,435,568, for the treatment of allergic asthma, allergic rhinitis and atopic dermatitis using the existing formulation of WF10 and derivative formulations.

In December 2014, the USPTO granted U.S. Patent No. 8,911,797, related to the use of formulations that include chlorite ions (such as WF10) to treat or inhibit allergy-like symptoms that include conjunctivitis in patients suffering from or at risk of developing allergic asthma, allergic rhinitis or atopic dermatitis.

The three U.S. patents will expire in 2028. Additional patent applications are pending.

Oxoferin

All Oxoferin composition of matter patents covering the original formulation have expired. Crescita will own 9 patent applications in various jurisdictions that cover a new version of Oxoferin and Crescita is planning to conduct research with a view to developing an improved version of Oxoferin with enhanced wound healing abilities.

Trademarks

Crescita will hold certain registered trademarks and trademark applications that will cover its pipeline and commercial products.

Confidential Information and Trade Secrets

In addition to patent protection, the confidential nature of Crescita's expertise and its trade secrets will provide a period of exclusivity with respect to processes or products developed by, or for, Crescita and its exclusive benefit. Crescita will take steps reasonably necessary to protect the confidentiality of its commercially sensitive activities.

Technology

Crescita will have multiple drug delivery platforms that support the development of patented formulations that can deliver actives into or through the skin. The most significant platforms will be:

DuraPeel

The DuraPeel technology is self-occluding, film-forming cream/gel formulations that provide extended release delivery to the site of application. The cream/gel contains a drug applied to a patient's skin forming a pliable layer that releases drug into the skin for up to 12 hours. The benefits of the DuraPeel technology include proven compatibility with a variety of active pharmaceutical ingredients ("**APIs**"), self-occluding film reduces product transference risk, fast drying time and easy application and removal and application to large and irregular skin surfaces. Patents have been issued in Australia, Canada, China, Japan and the U.S. with the latest expiry in 2027. Patent applications are pending in Australia, Canada, Brazil, China (allowed), Europe (allowed), India, Japan, Hong Kong and the U.S. through 2031.

MMPE

The MMPE technology uses synergistic combinations of pharmaceutical excipients included on the FDA's Inactive Ingredient Guide for improved topical delivery of actives 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.

Employees

Crescita will employ approximately 38 full-time and 2 part-time employees based on the number of full-time and part-time employees employed by Nuvo in respect of the Drug Development Business as of December 31, 2015. None of Crescita's employees are expected to be unionized.

Regulatory Environment and Drug Development Process

The research, development, manufacture and marketing of pharmaceutical products are subject to regulation by the FDA in the U.S., the Therapeutic Products Directorate in Canada, the EMA in Europe and comparable regulatory authorities in other foreign countries. These agencies and other federal, state, provincial and local entities will regulate the testing, manufacture, safety and promotion and sale of Crescita's products.

For a pharmaceutical company to launch a new prescription or non-prescription drug, whether innovative (original) or a generic version of a known drug, it must demonstrate to the national regulatory authorities in the countries in which it intends to market the new drug that the drug is both effective and safe for its intended use and population. Depending upon the circumstances surrounding the clinical evaluation of a drug candidate, Crescita may undertake clinical and nonclinical animal studies, contract clinical trial activities to contract research organizations or rely upon future partners for such development. Approval of a product by one regulatory authority does not necessarily imply that it can or will be approved by a regulatory authority responsible for a different jurisdiction.

Although only the jurisdictions of the U.S., the E.U. and Canada are discussed in this section, Crescita also intends to seek regulatory approval in other jurisdictions in the future and will initiate clinical studies where appropriate and cost effective.

Canada

In Canada, all drugs are regulated under the Food and Drugs Act and are enforced by the TPD of the Government of Canada's Department of Health and Welfare. Activities that are regulated include all non-clinical and clinical trials used in support of marketing approval. In addition, the regulations state that GMPs must be adhered to during production of all products intended for human use and to some degree during the development process. The regulatory pathway for a potential drug candidate begins by conducting initial proof-of-concept and preliminary safety studies both in the laboratory and in animals ("**preclinical studies**"). After the preclinical studies are completed, applications to conduct human clinical trials with the drug candidate must be submitted to the TPD. This application is referred to as a Clinical Trial Application ("**CTA**"). The CTA includes information about the methods of manufacture of the drug and controls associated therewith, and preclinical studies demonstrating safety and potential efficacy of the drug candidate. The TPD has 30 days in which to notify Crescita if the application is satisfactory by issuance of a No Objection Letter ("**NOL**"), after which Crescita may proceed with clinical trials. In addition, before a clinical trial can commence at each participating clinical trial site, the site's institutional review board (the "**IRB**")/research ethics board (the "**REB**") must approve the clinical trial protocol and other related documents.

After completing all required preclinical and clinical trials, and prior to selling a novel drug in Canada, Crescita will be required to submit a New Drug Submission ("**NDS**") to the TPD and receive a Notice of Compliance ("**NOC**") to sell the drug. The information contained within the NDS describes the new drug, including the drug's generic and proposed names under which it will be sold, a list describing the quantities and qualities of the ingredients, the method of manufacturing, processing and packaging of the drug, controls in place during the manufacturing operations to determine safety, potency and purity, stability information, results of non-clinical and clinical trials, intended indications for use of the new drug and the effectiveness of the new drug when used as intended. If, upon review of the NDS by the TPD, the NDS meets the requirements of Canada's Food and Drugs Act and the regulations thereunder, the TPD will issue the NOC. The TPD has the authority to impose certain post-approval requirements, such as post-market surveillance clinical trials. TPD approval can be withdrawn for failure to comply with any post-marketing requirements or for other reasons, such as the discovery of significant adverse effects.

United States

In the U.S., all drugs are regulated under the Code of Federal Regulations which is enforced by the FDA. The regulations require that non-clinical and clinical studies be conducted to demonstrate the safety and effectiveness of products before marketing and that the manufacturing be conducted according to GMPs. Subsequent to the completion of certain preclinical studies, the application to conduct human clinical trials with the drug candidate is submitted to the FDA. It is referred to as an Investigational New Drug ("**IND**") application. This application contains similar information to the Canadian CTA, and the FDA has 30 days in which to notify Crescita if the application is unsatisfactory. If the application is not deemed unsatisfactory, then Crescita may proceed with administering the medication to humans in clinical studies. As in Canada, before any clinical trial can commence at each participating clinical trial site, the site's IRB/REB must approve the clinical protocol and other related documents.

After completing all required preclinical and clinical trials, and prior to selling a drug in the U.S., Crescita must also comply with NDA procedures required by the FDA. The NDA procedure includes the submission of a package containing similar information to that required in the NDS in Canada to indicate safety and efficacy of the drug and describe the manufacturing processes and controls. FDA approval of the submission is required prior to commercial sale or shipment of the product in the U.S. Pre and/or post-approval inspections of manufacturing and testing facilities are necessary. The FDA may also conduct inspections of the clinical trial sites and the preclinical laboratories conducting pivotal safety studies to ensure compliance with Good Clinical Practice ("**GCP**") and Good Laboratory Practice ("**GLP**") requirements. Similar to the TPD, the FDA has the authority to impose certain post-marketing requirements, such as post-market surveillance clinical and preclinical trials. In addition, FDA approval can be withdrawn for failure to comply with any post-marketing requirements or for other reasons, such as the discovery of significant adverse effects.

Europe

In Europe, the evaluation of applications for new medicinal products submitted for European approval is coordinated by the EMA, a body of the E.U. The regulations are similar to those in Canada and the U.S. and require that preclinical and clinical studies be conducted to demonstrate the safety and effectiveness of products before marketing and that the manufacturing will be conducted according to GMPs. Subsequent to the preclinical studies and prior to conducting human clinical trials, a CTA must be submitted to the competent authority in the country where the clinical trial will be conducted. This application contains similar information to the Canadian CTA and U.S. IND. In Europe, clinical trials are regulated by the European Clinical Trial Directive (Directive 2001/20/EC of April 4, 2001). As in Canada and the U.S., before a clinical trial can commence at each participating clinical trial site, the site's IRB/REB must approve the clinical protocol and other related documents.

A major difference in Europe, when compared to Canada and the U.S., is with the approval process. In Europe, there are two different procedures that can be used to gain marketing authorization in the E.U. The first procedure is referred to as the Centralized Procedure and requires that a single application be submitted to the EMA which, if approved, allows marketing in all countries of the E.U. The second procedure has two options: the first is referred to as the Mutual Recognition Procedure and requires that approval is gained from one Member State after which a request is made to the other Member States to mutually recognize the approval and the

second is referred to as the Decentralized Procedure which requires a member state to act as the Reference Member State through a simultaneous application made to other member states.

Drug Development Process

A potential new drug must first be tested in the laboratory and in several animal species (preclinical or non-clinical studies) before being evaluated in humans (clinical studies). Preclinical studies primarily involve in vitro evaluations of the therapeutic activity of the drug and in vivo evaluations of the PK, metabolic and toxic effects of the drug in selected animal species. Ultimately, based on data generated during preclinical studies, extrapolations will be made to evaluate the potential risks versus the potential benefits of use of the drug in humans under specific conditions of use. Upon successful completion of the preclinical studies, the drug typically undergoes a series of evaluations in humans, including healthy volunteers and patients with the targeted disease.

The activities which must typically be completed prior to obtaining approval for marketing a new drug product in Canada, the U.S. and E.U. may be summarized as follows:

(a) Preclinical Studies: In the preclinical stage of drug development, an investigational drug must be tested extensively in the laboratory to ensure it will be safe to administer to humans. Testing at this stage must provide data showing that the drug is reasonably safe for use in initial, small-scale clinical studies. Depending on whether the compound has been studied or marketed previously, the sponsor may have several options for fulfilling this requirement including:

(i) compiling existing non-clinical data from past in vitro laboratory or animal studies on the compound;

(ii) compiling data from previous clinical testing or marketing of the drug in a country whose population is relevant to the target population; or

(iii) undertaking new preclinical studies designed to provide the evidence necessary to support the safety of administering the compound to humans.

During preclinical drug development, a sponsor evaluates the drug's toxic and pharmacologic effects through in vitro and in vivo laboratory animal testing. Genotoxicity screening is performed, as well as investigations on drug absorption, metabolism, the toxicity of the drug's metabolites and the speed with which the drug and its metabolites are excreted from the body. In North America, sponsors are generally asked, at a minimum, to:

(i) develop a pharmacological profile of the drug;

(ii) determine the acute toxicity of the drug in at least two species of animals; and

(iii) conduct short-term toxicity studies ranging from 2 weeks to 3 months, depending on the proposed duration of use of the substance in the proposed clinical studies.

(b) Filing of an IND or CTA: The formulation development and preclinical data are submitted to the FDA, TPD or other applicable regulatory body, for review prior to testing in humans.

(c) Clinical Trials: Clinical trials involve the administration of the drug to healthy volunteers or patients under the supervision of a qualified investigator. Clinical trials must be conducted in compliance with federal, state and local regulations and requirements, under protocols detailing, for example, the objectives of the trial, the parameters to be used in monitoring safety and the efficacy criteria to be evaluated. Clinical trials to support NDAs or NDSs for marketing approval are typically conducted in three sequential phases, but the phases may overlap.

(i) Phase 1 Trials: Phase 1 trials include the initial introduction of an investigational new drug into humans. These studies are closely monitored and may be conducted in patients, but are usually conducted in healthy volunteer subjects. These studies are designed to determine the metabolic and pharmacologic actions of the drug in humans, the side effects associated with increasing doses, and, if possible, to gain early evidence on effectiveness. During Phase 1, sufficient information about the drug's PKs and pharmacological effects should be obtained to permit the design of well-controlled, scientifically valid, Phase 2 studies. In cases where the Phase 1 studies are conducted on patients and not on healthy volunteers, it is possible that these studies may show evidence of efficacy typically not obtained until Phase 2 studies. These are referred to as Phase 1/2 trials.

(ii) Phase 2 Trials: Phase 2 trials are controlled clinical studies conducted to obtain some preliminary data on the effectiveness and safety of the drug for a particular indication or indications in patients with the disease or condition. This phase of testing also helps determine dosage levels, common short-term side effects and risks associated with the drug.

(iii) Phase 3 Trials: Phase 3 trials are large controlled and uncontrolled trials. These trials are performed after preliminary evidence suggesting effectiveness and safety of the drug has been obtained in the Phase 2 trials and are intended to gather additional information about effectiveness and safety that is needed to evaluate the overall risk-benefit relationship of the drug. These studies provide an adequate basis for extrapolating the results to the general population and transmitting that information in the physician labelling.

(iv) Filing of an NDA or NDS: An NDA or NDS filing with the relevant regulatory authority in the U.S., Canada, E.U. or other pertinent jurisdiction documents the safety and efficacy of the IND and contains all the information collected during the drug development process including the preclinical studies, chemistry, manufacturing and controls ("**CMC**") and the clinical trials. At the conclusion of successful preclinical, CMC and clinical testing, this series of documents is submitted to the regulatory authority. The application must present substantial evidence that the drug will have the effect it is represented to have when people use it or under the conditions for which it is prescribed, recommended or suggested in the labelling. Obtaining approval to market a new drug typically takes between six months and two years after submission of an application to the applicable regulatory authority.

Once the data is reviewed and approved by the appropriate regulatory authorities, such as the TPD, FDA or EMA, the drug is deemed ready for sale. These authorities and other applicable regulatory bodies will determine whether the drug will be a prescription or non-prescription product based on factors such as the age and history of the drug, the number of patients having reported adverse effects and how well the drug is documented with respect to safety and efficacy. Given that innovative drugs have no long-term history of public use, it is unlikely that an innovative drug would be approved in the first instance as a non-prescription product.

After marketing approval for a drug has been obtained, further studies and clinical trials may be required or requested by the regulatory authorities. The FDA refers to these as Postmarketing Requirements and Commitments. Post-marketing trials may provide additional data about a product's safety, efficacy or optimal use. Some of the studies and clinical trials may be required; others may be studies or clinical trials a sponsor has committed to conduct. Postmarketing requirements ("**PMRs**") include studies and clinical trials that sponsors are required to conduct under one or more statutes or regulations. Postmarketing commitments are studies or clinical trials that a sponsor has agreed to conduct, but that are not required by a statute or regulation. Failure to conduct or comply with an established timetable for completing PMRs may result in enforcement actions by the FDA that could include charges or civil monetary penalties. In addition, the FDA may prevent the marketing of the product in the U.S.

ARRANGEMENTS BETWEEN CRESCITA AND NUVO

Crescita will be party (succeeding to the obligations of Subco and Holdco) to the Arrangement Agreement dated December 14, 2015, between Nuvo, Holdco and Subco. For a description of the transactions to be carried out pursuant to the Arrangement Agreement, see "*The Arrangement — Arrangement Agreement and Related Agreements*" in the Management Information Circular.

Prior to the Arrangement Time, Nuvo, Subco and Holdco are expected to enter into the Separation Agreement which is expected to provide for, among other things, the transfer of the Drug Development Business and an estimated $35 million of cash to Subco and certain arrangements governing the separation of the Drug Development Business and the Specialty Pharmaceutical Business. For further details regarding the Separation Agreement, see "*The Arrangement – Pre-Arrangement Transactions*" in the Management Information Circular.

Pursuant to the Separation Agreement, Nuvo and Crescita are expected to enter into the Transitional Services Agreement pursuant to which Nuvo and Crescita will agree to provide each other, on a transitional basis, certain services in order to facilitate the orderly transfer of the Drug Development Business to Crescita. The transitional services are expected to include, among other things, information technology transition, use of facilities, accounting services and consulting. It is expected that the transitional services will be provided, at negotiated rates, for a period of up to eighteen months after the Arrangement Date (unless extended by Nuvo and Crescita).

The Separation Agreement is expected to provide that Nuvo and Crescita will also enter into trade-mark licenses, which will govern the use by each of Nuvo and Crescita of certain of the intellectual property owned by the other party following the Arrangement Date.

The Separation Agreement is also expected to provide that Nuvo and Crescita will enter into a lease pursuant to which Crescita will lease from Nuvo the portion of Nuvo's manufacturing facility in Varennes, Quebec that is currently utilized in the conduct of the

Drug Development Business. It is expected that the lease will provide for rent payable by Crescita to Nuvo at market rates and other terms that are customary for an arm's length lease of this nature.

CONSOLIDATED CAPITALIZATION

The following table represents the share and loan capitalization of the Crescita operations as at September 30, 2015, as adjusted to give effect to the Arrangement. You should read this table in conjunction with the Crescita Interim Combined Financial Statements attached as Schedule "A" to this Appendix.

Description	As at September 30, 2015 as adjusted (in thousands)
Long-term debt	-
Owner's net investment	33,320
Total Capitalization	**33,320**

SELECTED HISTORICAL COMBINED FINANCIAL INFORMATION

The following summary historical combined financial information for the nine months ended September 30, 2015 and the year ended December 31, 2014 has been derived from the Crescita Annual Combined Financial Statements and Crescita Interim Combined Financial Statements. Those financial statements present the historical carve-out combined financial position and results of operations of Crescita as it has been proposed to be carved out under the Arrangement and as if it operated as a stand-alone entity for the periods presented.

This summary historical financial information should be read in conjunction with the Crescita Annual Combined Financial Statements and Crescita Interim Combined Financial Statements, each of which is included in this Appendix.

The summary financial information presented below does not purport to be indicative of what Crescita's financial position or results of operations would have actually been if it were a stand-alone entity for the periods presented and is not necessarily indicative of Crescita's future results. The Crescita Annual Combined Financial Statements and Crescita Interim Combined Financial Statements have been prepared by management and the information therein was ultimately derived from the accounts of Nuvo's wholly-owned U.S. and European subsidiaries, adjusted to remove balances and transactions related to a commercialized product that will not form part of Crescita, the HLT Patch. The Crescita Annual Combined Financial Statements and Crescita Interim Combined Financial Statements also include an allocation of balances and transactions relating to both corporate office activities performed on behalf of Crescita by Nuvo and certain drug development activities performed on behalf of Crescita by a Canadian Subsidiary of Nuvo.

Management has allocated corporate expenses of the corporate office to the carved-out entity. General corporate expense allocations represent costs related to corporate functions, such as executive oversight, risk management, accounting, legal, investor relations, human resources, tax and other services. Expense allocations also include costs for certain compensation-related items, such as stock-based compensation ("**SBC**") that Nuvo provides to certain expected employees of Crescita.

Nuvo considered these general corporate expense allocations to be a reasonable reflection of the underlying nature of the operations of these entities and of the utilization of services provided. The allocations may not, however, reflect the expenses Crescita would have incurred as a stand-alone company. Actual costs that may have been incurred if Crescita had been a stand-alone public company in 2015, 2014, 2013 and 2012 would depend on a number of factors, including how Crescita would have organized itself, what (if any) functions would have been outsourced or performed by Crescita employees and strategic decisions in areas such as infrastructure.

Canadian dollars, in thousands (except per share)	Nine months ended September 30, 2015	Year ended December 31, 2014
	$	$
Operating results		
Product sales	540	638
Royalties	168	192
Total Revenue	708	830
Total operating expenses	11,715	14,360
Other expenses	36	1,071
Net Loss	(11,043)	(14,601)
Net loss per share		
Basic and diluted	$(1.01)	$(1.46)
Financial Position (as at period end)		
Total Assets[1]	1,520	1,636
Total Liabilities	3,200	3,737
Total net investment[1]	(1,680)	(2,101)

(1) The historical combined financial information for Crescita does not give effect to the estimated $35 million contributed by Nuvo to Crescita in conjunction with the Arrangement.

ANNUAL MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview

This Management's Discussion and Analysis ("**Annual MD&A**") has been prepared in respect of the Drug Development Business to be owned and operated by Crescita and its subsidiaries upon completion of the Arrangement. This Annual MD&A should be read in conjunction with the Crescita Annual Combined Financial Statements attached as Schedule "A" to this Appendix. References to "Crescita" in this Annual MD&A refer to the Crescita operations of Nuvo at the relevant period. Readers should also read the "*Notice to Readers*" and "*Forward Looking Information*" sections of this Appendix. The Crescita Annual Combined Financial Statements reported herein have been prepared in accordance with IFRS and are reported in Canadian dollars.

Background

Following the completion of the Arrangement, Crescita will be a biotech company with a portfolio of products and technologies. Crescita will operate two distinct business units: the TPT Group and the Immunology Group. The TPT Group will have one commercial product, Pliaglis, that is licensed globally and a pipeline of topical and transdermal products focusing on various therapeutic areas, including pain and dermatology, and multiple drug delivery platforms that support the development of patented formulations that can deliver actives into or through the skin. The Immunology Group will have two commercial products, Oxoferin and WF10. Crescita will be governed by the OBCA and its head and registered office will be located at 7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4.

Capability to Deliver Results

Crescita will need to spend considerable resources to research, develop and manufacture its products and technologies. Crescita may finance these activities through: existing cash, revenue generated by product sales to its licensees and partners and royalties, licensing and co-development agreements for other new drug candidates or its existing products in territories where they are not currently licensed, by raising funds in the capital markets or by incurring debt.

Crescita is dependent on its commercial partners for the sale and marketing of Pliaglis throughout the world and Oxoferin in several Asian countries.

Crescita believes that it has appropriate in-house personnel with the experience and expertise 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, Crescita has access to the commercial, regulatory and scientific expertise of its advisory boards to assist it through all aspects of the commercialization and drug development process.

Litigation

From time-to-time, during the ordinary course of business, Nuvo is, and Crescita may be, threatened with or named as a defendant in various legal proceedings including lawsuits based upon product liability, personal injury, breach of contract and lost profits or other consequential damage claims.

Liquidity

Crescita has incurred significant losses to date. As at December 31, 2014, Crescita's historical losses have exceeded Nuvo's investment in Crescita resulting in a net investment of $(3.2) million which includes a net loss of $14.6 million during the year ended December 31, 2014.

Crescita is economically dependent on and has historically relied on Nuvo for funding to support its operations. As described in Note 21 – *Subsequent Events* of the Crescita Annual Combined Financial Statements, under the terms of the Arrangement, Nuvo will invest an estimated $35.0 million of additional funds in Crescita to provide working capital.

Crescita's ability to continue as a going concern depends on:

- its ability to advance the development of its pipeline products to significant milestones that are financeable; and
- its ability to secure additional licensing fees, secure co-development agreements, obtain additional capital when required, obtain regulatory approval for other drugs and ultimately achieve profitable operations.

As there can be no certainty as to the outcome of the above matters, there is material uncertainty that may cast significant doubt about Crescita's ability to continue as a going concern.

Crescita anticipates that its current cash, together with the estimated $35.0 million additional investment from Nuvo as part of the Pre-Arrangement Transactions, revenues it expects to generate from product sales to its licensees and distributors and royalty payments will be sufficient to execute its current business plan for the next 24 months. Beyond that date, there can be no assurance that Crescita will have sufficient capital to fund its ongoing operations or develop or commercialize any further products without future financings. Crescita expects that it will continue to incur losses as its revenue streams are not sufficient to fund its operations, the infrastructure necessary to support a public company and the costs of selectively advancing its drug development pipeline.

Nonetheless, companies in the pharmaceutical R&D industry typically require periodic funding in order to develop drug candidates until such time as at least one drug candidate has been successfully commercialized such that the company is receiving sufficient revenue to fund its operations. Crescita has not yet reached this stage and therefore Crescita monitors, and will monitor on a regular basis, its liquidity position, the status of its partners' commercialization efforts, the status of its drug development programs, including cost estimates for completing various stages of development, the scientific progress of each drug candidate and the potential to license or co-develop each drug candidate.

There can be no assurance that additional financing would be available on acceptable terms, or at all, when and if required. If adequate funds were not available when required, Crescita may have to substantially reduce or eliminate planned expenditures, terminate or delay clinical trials for its product candidates, curtail product development programs designed to expand the product pipeline or discontinue certain operations. If Crescita is unable to obtain additional financing when and if required, Crescita may be unable to continue operations.

The Crescita Annual Combined Financial Statements do not include adjustments to the amounts and classification of assets and liabilities that would be necessary should Crescita be unable to continue as a going concern.

Selected Financial
in thousands (except per share)

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
	$	$	$
Operations			
Product sales	**638**	603	664
Royalties	**192**	118	11
Licensing fees	**-**	2,061	6,911
Total Revenue	**830**	2,782	7,586
Total operating expenses	**14,360**	10,965	8,919
Loss from operations	**(13,530)**	(8,183)	(1,333)
Other expenses	**1,071**	6,092	9,352
Net loss	**(14,601)**	(14,275)	(10,685)
Other comprehensive income (loss)	**38**	666	(544)
Total comprehensive loss	**(14,563)**	(13,609)	(11,229)
Share Information			
Net loss per share			
Basic and diluted	**(1.46)**	(1.61)	(1.21)
Average number of common shares outstanding for the year			
Basic and diluted	**10,023**	8,841	8,825
Financial Position			
Cash	**443**	621	1,335
Total assets	**1,636**	5,088	11,297
Other obligations, including current portion	**326**	408	471
Total liabilities	**3,737**	2,142	1,501
Total net investment	**(2,101)**	2,946	9,796

Non-IFRS Financial Measure

Crescita discloses non-IFRS measures that do not have standardized meanings prescribed by IFRS, but are considered useful by management, investors and other financial stakeholders to assess Crescita's performance and management from a financial and operational standpoint. "Total operating expenses" is defined as the sum of: cost of goods sold, R&D expenses, general and administrative ("**G&A**") expenses, and interest expense. "Loss from operations" is defined as total revenue, less total operating expenses. Crescita considers these to be useful measures, as they provide investors with an indication of the operating performance of Crescita before considering gains or losses from foreign exchange or items that are non-recurring transactions.

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 will be impacted for the foreseeable future by several factors including the timing and amount of royalties and other payments received pursuant to current and future collaborations and licensing arrangements and the progress and timing of expenditures related to R&D efforts. Due to these fluctuations, Crescita believes that the period-to-period comparisons of its operating results are not necessarily a good indicator of future performance.

Results of Operations

Product Sales
in thousands

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
	$	$	$
Oxoferin	**618**	589	619
WF10 sales	**20**	14	45
Product sales	**638**	603	664

Product sales, which represent Crescita's sales of Oxoferin (a topical wound healing agent, containing the same active ingredient as WF10, but at a lower concentration) and WF10 to licensees and distributors, were $0.6 million for the year ended December 31, 2014 compared to $0.6 million and $0.7 million for the years ended December 31, 2013 and December 31, 2012, respectively. In 2014, Crescita's partner (Sun Pharma) launched Oxoferin in Morocco and Malaysia. The increase in sales from the launch and higher sales to Crescita's distributor in Pakistan was offset by lower sales to Crescita's distributor in Venezuela. The decrease in 2013 compared to the year ended December 31, 2012 was primarily due to lower sales to Crescita's customers in Venezuela and Thailand.

Other Revenue
in thousands

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
	$	$	$
Royalties	**192**	118	11
Licensing fees	**-**	2,061	6,911
	192	2,179	6,922

Royalties Revenue

In 2014, Crescita received royalties from Galderma, its global licensee for Pliaglis. Royalties are determined using agreed upon formulas based on the definition of the licensee's net sales as defined in the licensing agreement. Crescita recognizes royalty revenue based on the net sales of the licensee.

Royalty revenue increased to $0.2 million for the year ended December 31, 2014 compared to $0.1 million and $11,000 for the years ended December 31, 2013 and December 31, 2012, respectively. All royalty revenue relates to the global net sales of Pliaglis. The increase in royalties in 2014 related to the launch of Pliaglis in Brazil which commenced in March 2014. In 2013, the increase in royalties related to the launch of Pliaglis in the U.S. and a number of countries in the E.U.

Licensing Fees

Licensing fees were nil for the year ended December 31, 2014 compared to $2.1 million and $6.9 million for the years ended December 31, 2013 and December 31, 2012, respectively. In 2013, licensing fees consisted of the US$2.0 million milestone payment ($2.1 million) earned pursuant to Crescita's license agreement with Galderma related to the marketing approval for Pliaglis in Brazil. In 2012, licensing fees were primarily attributable to milestone payments earned by Crescita of US$6.0 million ($6.2 million) related to the marketing approval of Pliaglis in the first three E.U. countries as per the terms of the licensing agreement with Galderma. The remaining balance for the year was comprised of $0.7 million related to the licensing arrangements with Galderma for Pliaglis.

Operating Expenses
in thousands

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
	$	$	$
Cost of goods sold	**279**	212	245
Research and development	**7,473**	4,994	3,758
General and administrative	**6,556**	5,696	4,844
Interest expense	**52**	63	72
Total operating expenses	**14,360**	10,965	8,919

Total operating expenses for the year ended December 31, 2014 were $14.4 million, an increase from $11.0 million and $8.9 million for the years ended December 31, 2013 and December 31, 2012, respectively. Operating expenses include certain costs paid for Crescita by Nuvo. These cost allocations have been determined on a basis considered by Crescita and Nuvo to be a reasonable reflection of the services provided by Nuvo to Crescita (See Note 3 – Summary of Significant Accounting Policies in the Crescita Annual Combined Financial Statements).

Cost of Goods Sold

Cost of good sold ("**COGS**") for the year ended December 31, 2014 was $0.3 million compared to $0.2 million for the years ended December 31, 2013 and December 31, 2012. In 2014, the slight increase in COGS was the result of increased product sales and a $54,000 write down of Oxoferin finished goods. Gross margin remained consistent at $0.4 million for all three years. For the year ended December 31, 2014, the gross margin as a percentage of product sales was 56% compared to 65% and 63% for the years ended December 31, 2013 and December 31, 2012, respectively.

Research and Development

R&D expenses were $7.5 million for the year ended December 31, 2014 compared to $5.0 million and $3.8 million for the years ended December 31, 2013 and December 31, 2012, respectively. In 2014, the costs associated with Crescita's 2014 WF10 Study were slightly offset by the savings realized from the closure of Crescita's facility in Salt Lake City and the TPT Group office in 2013.

In the Immunology Group, R&D expenses were $5.9 million for the year ended December 31, 2014 compared to $3.2 million and $2.1 million for the years ended December 31, 2013 and December 31, 2012, respectively. The increase in R&D spending in 2014 related to the costs associated with the 2014 WF10 Study as a treatment for moderate to severe allergic rhinitis. For additional details on the 2014 WF10 Study and 2015 WF10 Study, please refer to the section entitled "*The Business – Operating Segments – Immunology Group – WF10*" in this Appendix.

In the TPT Group, R&D expenses were $1.6 million for the year ended December 31, 2014 compared to $1.8 million and $1.7 million for the years ended December 31, 2013 and December 31, 2012, respectively. The increase in spending on Ferndale collaboration projects in 2014 was offset by the savings realized from the closure of Crescita's facility in Salt Lake City and the TPT Group office in 2013. The R&D expenditures primarily related to the costs of the R&D facility at Varennes, Québec and Crescita's share of the post approval commitment for Pliaglis. The R&D facility is focused on the collaboration agreement with Ferndale to develop two topical dermatology products based on Nuvo's patented MMPE technology.

R&D expenditures vary depending on the stage of development of drug products and candidates in Crescita's pipeline and management's allocation of Crescita's resources to these activities in general and to each drug specifically.

General and Administrative

G&A expenses were $6.6 million for the year ended December 31, 2014 compared to $5.7 million and $4.8 million for the years ended December 31, 2013 and December 31, 2012, respectively. The increase in 2014 was related to a $2.2 million increase in SBC allocated from Nuvo in the year primarily from the adjustment to market value for the outstanding Nuvo SARs and Nuvo DSUs at December 31, 2014. The share price increased from $2.15 at December 31, 2013 to $7.00 at December 31, 2014. The significant increase in SBC was directly related to growth in the share price. Partially offsetting the increase in SBC was a decrease of $0.5 million in non-cash charges related to amortization of Crescita's intangible assets and a decrease in termination costs related to the closure of the TPT Group offices in 2013. The increase in 2013 G&A expenses over 2012 was primarily related to increased amortization expense on intangible assets of $0.8 million related to Pliaglis. The amortization of the Pliaglis intangible asset commenced late in the first quarter of 2013 with the launch of Pliaglis.

Interest expense

Interest expense was $0.1 million for the year ended December 31, 2014 which remained unchanged from $0.1 million for the years ended December 31, 2013 and December 31, 2012. Interest expense includes non-cash accretion charges on the five-year consulting agreement as part of the consideration paid for the 2011 acquisition of the non-controlling interest in Nuvo Research AG.

Loss from Operations

Loss from operations was $13.5 million for the year ended December 31, 2014 compared to $8.2 million and $1.3 million for the years ended December 31, 2013 and December 31, 2012, respectively. The increased loss from operations for the year ended December 31, 2014 was attributable to a decrease in licensing fees, as well as an increase in operating expenses in the current period related to increased R&D costs. In the prior year, licensing fees consisted of the US$2.0 million milestone payment ($2.1 million) earned pursuant to Crescita's license agreement with Galderma related to the marketing approval for Pliaglis in Brazil. In 2012, licensing fees were primarily attributable to milestone payments earned by Crescita of US$6.0 million ($6.2 million) related to the marketing approval of Pliaglis in the first three E.U. countries as per the terms of the licensing agreement with Galderma.

Other (Income) Expenses
in thousands

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
	$	$	$
Impairment of intangible assets and goodwill	**1,202**	6,098	11,553
Gain on ZARS contingent consideration	**-**	-	(2,300)
Loss on disposal of property, plant and equipment	**-**	10	-
Foreign currency (gain) loss	**(131)**	(16)	99
Total other expenses	**1,071**	6,092	9,352

Impairment of Intangible Assets and Goodwill

Crescita reviewed the carrying values of the intangible assets for potential impairment at December 31, 2014 as sales for Pliaglis were not meeting expectations. Commercial strategies for the product produced revenues that were lower than expected, and the costs to maintain the intellectual property and regulatory commitments exceeded royalties earned. Indications for impairment did exist, and management determined that the asset was impaired, such that the recoverable amount was lower than the carrying amount. The recoverable amount and value in use (being the present value of expected future cash flows) was calculated using best estimates for future periods based on discussions with licensing partners, knowledge of historical results and expectations for the future, net of direct costs forecasted by management, assuming declining revenues, discounted at an after-tax rate of 19% which approximated Crescita's current weighted average cost of capital. As at December 31, 2014, Crescita recorded an impairment charge for Pliaglis of $1.2 million in impairment of intangible assets in the Combined Statements of Loss and Comprehensive Loss included in the Crescita Annual Combined Financial Statements. The remaining net carrying amount was nil. Amortization of intangible assets is included in G&A expenses in the Combined Statements of Loss and Comprehensive Loss included in the Crescita Annual Combined Financial Statements.

In the year ended December 31, 2013, Crescita reviewed the carrying values of the intangible assets for potential impairment at December 31, 2013, as the launch of Pliaglis did not meet expectations. Management determined that the asset was impaired, such that the recoverable amount was lower than the carrying amounts. Consistent with the current year approach, the recoverable amount and value in use (being the present value of expected future cash flows) was calculated using licensing partner revenue forecasts, net of direct costs forecasted by management, discounted at an after-tax rate of 15% which approximated Crescita's weighted average cost of capital for the period. As at December 31, 2013, Crescita recorded an impairment charge for Pliaglis of $6.1 million in impairment of intangible assets in the Combined Statements of Loss and Comprehensive Loss included in the Crescita Annual Combined Financial Statements.

Crescita reviewed the carrying values of the intangible assets for potential impairment at December 31, 2012 as the launch timing of Pliaglis did not meet expectations. Indications for impairment did exist, and management determined that both the intangible asset and goodwill related to Pliaglis were impaired, such that the recoverable amounts were lower than the carrying amounts. Consistent with the current year approach, the recoverable amount and value in use (being the present value of expected future cash flows) was calculated using licensing partner revenue forecasts, net of direct costs forecasted by management, discounted at an after-tax rate of 15% which approximated Crescita's weighted average cost of capital during the period. As at December 31, 2012, Crescita recorded an impairment charge for Pliaglis of $7.2 million in impairment of intangible assets in the Combined Statement of Loss and Comprehensive Loss included in the Crescita Annual Combined Financial Statements.

Goodwill was previously generated on the acquisition of ZARS in 2011. As at December 31, 2012, the recoverable amount was less than its carrying amount, and the entire goodwill of $4.4 million was written off.

Gain on ZARS Contingent Consideration

Under the terms of the acquisition of ZARS, a portion of the consideration was based on the achievement of predefined milestones. The achievement of these milestones would result in the issuance of additional common shares to the former ZARS shareholders (the "**ZARS Contingent Consideration**"). The ZARS Contingent Consideration was originally structured as promissory notes payable to the former shareholders of ZARS, but allowed Nuvo to seek shareholder approval for the issuance of additional shares, in lieu of the promissory notes. Nuvo's shareholders approved the conversion of the promissory notes payable into contingent shares at Nuvo's Annual and Special Meeting of Shareholders on June 21, 2011. Crescita accounted for this conversion by derecognizing the liability related to the promissory notes and recording the value of the potentially issuable shares in liabilities. At each reporting period, the outstanding ZARS Contingent Consideration liability was revalued based on Nuvo's share price and the probability of the contingent consideration milestones being achieved. As at December 31, 2011, the ZARS Contingent Consideration liability was valued at $2.3 million. At December 31, 2012, the milestones related to the outstanding contingent consideration were not achieved; therefore, the liability of $2.3 million was derecognized and a corresponding gain was recognized in the Combined Statements of Loss and Comprehensive Loss included in the Crescita Annual Combined Financial Statements.

Foreign Currency Gain (Loss)

Crescita experienced net foreign currency gains of $131,000 for the year ended December 31, 2014 and $16,000 for the year ended December 31, 2013, compared to a net foreign currency loss of $99,000 for the year ended December 31, 2012. In 2014, the stronger U.S. dollar increased the value of U.S. dollar denominated cash and receivables.

Net Loss and Total Comprehensive Loss
in thousands

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
	$	$	$
Net loss	**(14,601)**	(14,275)	(10,685)
Unrealized gains (loss) on translation of foreign operations	**38**	666	(544)
Total comprehensive loss	**(14,563)**	(13,609)	(11,229)

Net Loss

Net loss was $14.6 million for the year ended December 31, 2014 compared to net losses of $14.3 million and $10.7 million for the years ended December 31, 2013 and December 31, 2012, respectively.

Total Comprehensive Loss

Total comprehensive loss was $14.6 million for the year ended December 31, 2014 compared to $13.6 million and $11.2 million for the years ended December 31, 2013 and December 31, 2012, respectively. The current year included an unrealized gain of $38,000 on the translation of foreign operations compared to an unrealized gain of $0.7 million for the year ended December 31, 2013 and unrealized losses of $0.5 million for the year ended December 31, 2012.

Net Loss Per Common Share

Net loss per share was $(1.46) for the year ended December 31, 2014 versus net loss per share of $(1.61) and $(1.21) for the years ended December 31, 2013 and December 31, 2012, respectively.

The weighted average number of shares outstanding on a basic and diluted basis was 10.0 million for the year ended December 31, 2014. For the years ended December 31, 2013 and December 31, 2012, the weighted average number of shares outstanding on a basic and diluted basis was 8.8 million.

Segments

On a segmented basis, the TPT Group, which includes Pliaglis, incurred net loss before income taxes of $8.2 million for the year ended December 31, 2014 compared to a loss before income taxes of $9.7 million and $7.6 million for the years ended December 31,

2013 and December 31, 2012, respectively. Each year includes an impairment charge on intangible assets recorded related to the TPT Group and the year ended December 31, 2012 includes an impairment charge on goodwill.

The Immunology Group, which includes all WF10 activities, incurred a loss before income taxes of $6.4 million for the year ended December 31, 2014 compared to $4.5 million and $3.1 million for the years ended December 31, 2013 and December 31, 2012, respectively. For the year ended December 31, 2014, the increase in net loss in the Immunology Group was due to the costs associated with Crescita's Phase 2 clinical trial for WF10 for the treatment of allergic rhinitis.

Liquidity and Capital Resources
in thousands

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
	$	$	$
Net loss	**(14,601)**	(14,275)	(10,685)
Items not involving current cash flows	**1,712**	7,390	8,988
Cash used in operations	**(12,889)**	(6,885)	(1,697)
Net change in non-cash working capital	**3,591**	(298)	(1,812)
Cash used in operating activities	**(9,298)**	(7,183)	(3,509)
Cash used in investing activities	**(43)**	(20)	(40)
Cash provided by financing activities	**9,105**	6,419	1,091
	(236)	(784)	(2,458)
Effect of exchange rates on cash	**58**	70	8
Net change in cash during the year	**(178)**	(714)	(2,450)
Cash beginning of year	**621**	1,335	3,785
Cash end of year	**443**	621	1,335

Cash

Cash was $0.4 million at December 31, 2014 compared to $0.6 million and $1.3 million at December 31, 2013 and December 31, 2012, respectively. Crescita is economically dependent on and has historically relied on Nuvo for funding to support its operations. As described in Note 21 – *Subsequent Events* of the Crescita Annual Combined Financial Statements, pursuant to the Pre-Arrangement Transactions, Nuvo will invest an estimated $35.0 million of additional funds in Crescita to provide working capital.

Operating Activities

Cash used in operations was $12.9 million for the year ended December 31, 2014 compared to $6.9 million and $1.7 million for the years ended December 31, 2013 and December 31, 2012, respectively. For the years ended December 31, 2014 and December 31, 2013, the increase in cash used in operations related to the increase in net loss that was entirely offset by the change in non-cash items.

Overall cash used in operating activities was $9.3 million for the year ended December 31, 2014 compared to $7.2 million and $3.5 million for the years ended December 31, 2013 and December 31, 2012, respectively. For the year ended December 31, 2014, the increase related to an increase in cash used in operations which was partially offset by an increase in recovery of non-cash working capital of $3.6 million versus a $0.3 million investment in working capital for the year ended December 31, 2013. The increased recovery of non-cash working capital in the current year was primarily attributable to the collection of the milestone payment of US$2.0 million ($2.1 million) from Galderma related to the launch of Pliaglis in Brazil and an increase in accounts payable and accrued liabilities. For the year ended December 31, 2013, the increase in cash used in operating activities related to a significant increase in cash used in operations which was partially offset by a recovery of non-cash working capital.

Investing Activities

Net cash used in investing activities totaled $43,000 for the year ended December 31, 2014 compared to $20,000 and $40,000 for the years ended December 31, 2013 and December 31, 2012, respectively. Cash used in investing activities was primarily attributable to fixed asset purchases by Crescita.

Financing Activities

Net cash provided by financing activities totaled $9.1 million for the year ended December 31, 2014 compared to $6.4 million and $1.1 million for the years ended December 31, 2013 and December 31, 2012, respectively. Crescita is economically dependent on and has historically relied on Nuvo for funding to support its operations. For all years, funding provided by Nuvo was offset by payments made towards the five-year consulting agreement recognized as part of the non-controlling interest in 2011.

Financial Instruments

Fair Values

IFRS 7 *Financial Instruments: Disclosures* requires disclosure of a three-level hierarchy that reflects the significance of the inputs used in making fair value measurements. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in 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.

Assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurements. Crescita 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. Crescita did not have any transfer of assets and liabilities between Level 1, Level 2 and Level 3 of the fair value hierarchy during the years ended December 31, 2014, 2013 and 2012.

Crescita believes it 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 Crescita 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 1 liabilities include obligations of Crescita for the Nuvo DSUs described in Note 9 in the Crescita Annual Combined Financial Statements. One Nuvo DSU has a cash value equal to the market price of one Nuvo Common Share. Nuvo revalues the Nuvo DSU liability each reporting period using the market value of the underlying shares.

Level 2 liabilities include obligations of Crescita for the Nuvo SARS Plan described in Note 9 in the Crescita Annual Combined Financial Statements. The fair values of each tranche of Nuvo SARs issued and outstanding is revalued by Nuvo at each reporting period using the Black-Scholes option pricing model.

As at December 31, 2014, 2013 and 2012, the fair values of all other short-term financial assets and liabilities, presented in the Crescita Annual Combined Financial Statements approximate their carrying amounts due to the short period to maturity of these financial instruments.

Rates currently available to Crescita for a long-term obligation, with similar terms and remaining maturity, have been used to estimate the fair value of the long-term consulting agreement. The fair value of the long-term consulting agreement approximates its carrying value.

Financial Risk Management

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

While Crescita had $0.4 million in cash as at December 31, 2014, it continues to have an ongoing need for substantial capital resources to research, develop, commercialize and manufacture its products and technologies as Crescita is not generating enough cash to funds its operations.

Crescita has contractual obligations related to accounts payable and accrued liabilities, purchase commitments and other obligations of $8.1 million that are due in less than one year and $0.2 million of contractual obligations that are payable from 2016 to 2018.

Crescita is economically dependent on and has historically relied on Nuvo for funding to support its operations. As described in Note 21 – *Subsequent Events* of the Crescita Annual Combined Financial Statements, under the terms of the Arrangement, Nuvo will invest an estimated $35.0 million of additional funds in Crescita to provide working capital. Crescita anticipates that this additional

investment, together with its current cash and the revenues it expects to generate from product sales and royalty payments will be sufficient to execute its current business plan for the next 24 months.

The future cash requirements of Crescita are estimated by preparing a budget annually which was reviewed and approved by Nuvo's Board of Directors. The budget establishes the approved activities for the upcoming year and estimates the costs associated with these activities. Actual spending relative to budgeted expenditures will be monitored regularly by management and reviewed by the Crescita Board quarterly.

Crescita's exposure to liquidity risk is dependent on its research and development programs and associated commitments and obligations, and the raising of capital. Crescita has historically relied on funding from Nuvo to support its operations. There are no assurances that additional funds will be available to Crescita when required.

Credit Risk

Credit risk is the risk of financial loss to Crescita if the counterparty to a financial instrument fails to meet is contractual obligations. Financial instruments that may subject Crescita to credit risk consist of cash and amounts receivable from global customers.

Crescita manages its exposure to credit risk losses by holding cash on deposit in major financial institutions.

Crescita, in the normal course of business, is exposed to credit risk from its global customers most of whom are in the pharmaceutical industry. The accounts receivable are subject to normal industry risks in each geographic region in which Crescita operates. In addition, Crescita is exposed to credit related losses on sales to its customers outside North America and the E.U. due to potentially higher risks of enforceability and collectability. Crescita attempts to manage these risks prior to the signing of distribution or licensing agreements by dealing with creditworthy customers; however, due to the limited number of potential customers in each market, this is not always possible. In addition, a customer's creditworthiness may change subsequent to becoming a licensee or distributor and the terms and conditions in the agreement may prevent Crescita from seeking new licensees or distributors in these territories during the term of the agreement.

At December 31, 2014, 94% of accounts receivable, excluding milestone payments, related to customers outside North America and the E.U. (December 31, 2013 - 100% and December 31, 2012 – 98%).

Interest Rate Risk

Crescita is not subject to significant interest rate risk as its long-term obligation is non-interest bearing.

Currency Risk

Crescita operates globally, which gives rise to a risk that earnings and cash flows may be adversely affected by fluctuations in foreign currency exchange rates. Crescita is primarily exposed to the U.S. dollar and Euro, but also transacts in other foreign currencies. Crescita currently does not use financial instruments to hedge these risks. The significant balances in foreign currencies were as follows:

in thousands	Euros			U.S. Dollars		
	2014	2013	2012	**2014**	2013	2012
	€	€	€	**$**	$	$
Cash	**172**	317	837	**150**	80	164
Accounts receivable	**242**	231	339	**55**	2,000	1,001
Other current assets	**159**	150	138	**-**	-	-
Accounts payable and accrued liabilities	**(842)**	(326)	(287)	**(363)**	(946)	(516)
Other current and long-term obligations	**-**	-	-	**(281)**	(384)	(473)
	(269)	372	1,027	**(439)**	750	(176)

Based on the aforementioned net exposure as at December 31, 2014, 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 $51,000 on total comprehensive loss and a 10% appreciation or depreciation of the Canadian dollar against the Euro would have an effect of $38,000 on total comprehensive loss.

In terms of the Euro, Crescita has one significant exposure: its net investment in and net cash flows from its European operations. In terms of the U.S. dollar, Crescita has three significant exposures: its net investment in and net cash flows from its U.S. operations, the

cost of running trials and other studies at U.S. sites, and revenue generated in U.S. dollars from licensing agreements with Galderma, Crescita's licensee for Pliaglis.

Crescita does not actively hedge any of its foreign currency exposures given the relative risk of currency versus other risks Crescita faces and the cost of establishing the necessary credit facilities and purchasing financial instruments to mitigate or hedge these exposures. As a result, Crescita does not attempt to hedge its net investments in foreign subsidiaries.

Crescita does not currently hedge its Euro cash flows. Periodically, Crescita reviews the amount of Euros held, and if they are excessive compared to Crescita's projected future Euro cash flows, they may be converted into U.S. or Canadian dollars. If the amount of Euros held is insufficient, Crescita may convert a portion of other currencies into Euros.

Crescita does not currently hedge its U.S. dollar cash flows. Crescita's U.S. operations have net cash outflows and currently these are funded using Crescita's U.S. dollar denominated cash and payments received under the terms of the licensing agreements with Galderma. Periodically, Crescita reviews its projected future U.S. dollar cash flows and if the U.S. dollars held are insufficient, Crescita may convert a portion of its other currencies into U.S. dollars. If the amount of U.S. dollars held is excessive, they may be converted into Canadian dollars or other currencies, as needed for Crescita's other operations.

Contractual Obligations

The following table lists Crescita's contractual obligations for the twelve-month periods ending December 31 as follows:

in thousands	**Total**	2015	2016	2017 and thereafter
	$	$	$	$
Operating leases	**51**	50	1	-
Purchase obligations	**4,500**	4,500	-	-
Other obligations[(1)]	**3,752**	3,549	174	29
	8,303	8,099	175	29

(1) Other obligations include accounts payable, accrued liabilities and the long-term consulting contract with the former minority shareholder of Nuvo Research AG.

Off-Balance Sheet Arrangements

Crescita does not have any off-balance sheet arrangements.

Related Party Transactions

The Company has allocated corporate expenses of the corporate office to the carved-out entity. General corporate expense allocations represent costs related to corporate functions such as executive oversight, risk management, accounting, legal, investor relations, human resources, tax and other services. Expense allocations also include costs for certain compensation related items such as stock-based compensation that Nuvo provides to certain Crescita employees.

Allocations reflected in selling and administrative expenses and totaled $5.0 million, $3.1 million and $3.0 million for the years ended December 31, 2014, 2013 and 2012, respectively. Allocations reflected in research and development expenses totaled $0.6 million, $0.7 million and $0.9 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Crescita and Nuvo considered these general corporate expense allocations to be a reasonable reflection of the underlying nature of the operations of these entities and of the utilization of services provided. The allocations may not, however, reflect the expense Crescita would have incurred as a stand-alone company. Actual costs which may have been incurred if Crescita had been a stand-alone public company in 2014, 2013 and 2012 would depend on a number of factors, including how Crescita chose to organize itself, what if any functions were outsourced or performed by Crescita employees and strategic decisions in areas such as infrastructure.

Critical Accounting Policies and Estimates

The preparation of Crescita Annual Combined Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the Crescita Annual Combined Financial Statements and the reported amounts of revenue and expenses during the reporting periods. Management has identified the following accounting estimates that it believes are most critical to understanding the Crescita

Annual Combined Financial Statements and those that require the application of management's most subjective judgments, often requiring the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods. Crescita's actual results could differ from these estimates and such differences could be material. All significant accounting policies are disclosed in Note 3, "Summary of Significant Accounting Policies" of the Crescita Annual Combined Financial Statements.

Critical Accounting Estimates

Key areas of estimation or use of managerial assumptions are as follows:

(a) Allocations:

Nuvo and its Canadian subsidiary paid certain costs on behalf of Crescita and performed certain activities on behalf of Crescita. As a result, these Crescita Annual Combined Financial Statements include allocations of certain balances and transactions reported in the accounts of Nuvo and its Canadian subsidiary.

An entity included in the Crescita Annual Combined Financial Statements paid certain costs for Nuvo and performed certain activities on behalf of Nuvo related to Crescita. Accordingly, an allocation of certain balances and transactions reported in the accounts of this entity have been excluded from the Crescita Annual Combined Financial Statements.

Compensation related costs have been allocated using methodologies primarily based on proportionate time spent on Crescita's and Nuvo's respective activities. These cost allocations have been determined on a basis considered by Crescita and Nuvo to be a reasonable reflection of the utilization of services provided to Crescita.

(b) Intangible assets:

Crescita determines fair values based on discounted cash flows, market information, independent valuations and management's estimates. The values calculated for intangible assets involve significant estimates and assumptions, including those with respect to future cash flows, discount rates and asset lives. These significant estimates and judgments could impact Crescita's future results if the current estimates of future performance and fair values change and could affect the amount of amortization expense on intangible assets in future periods.

(c) Cash-generating units:

The identification of cash-generating units ("**CGUs**") within Crescita requires considerable judgment. Under IFRS, management must determine the smallest group of assets that generate independent cash inflows. Management first considers Crescita's commercialized products, and then determines the operations that contribute to each product's revenue base and net cash inflows. Management has identified two CGUs: the U.S. operations dedicated to generating cash inflows for Pliaglis and the Immunology Group that generates cash inflows for WF10.

(d) Impairment of non-financial assets:

Crescita reviews the carrying value of non-financial assets for potential impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The impairment test on CGUs is carried out by comparing the carrying amount of the CGU and its recoverable amount. The recoverable amount of a CGU is the higher of fair value, less costs to sell and its value in use. This complex valuation process entails the use of methods, such as the discounted cash flow method which requires numerous assumptions to estimate future cash flows. The recoverable amount is impacted significantly by the discount rate selected to be used in the discounted cash flow model, as well as the quantum and timing of expected future cash flows and the growth rate used for the extrapolation.

(e) Share-based payments:

Certain employees of Crescita participate in Nuvo's stock-based compensation plans. Nuvo's costs allocated to Crescita include an amount related to stock-based compensation.

Crescita measures the cost of share-based payments, either equity or cash-settled, with employees by reference to the fair value of the equity instrument or underlying equity instrument at the date on which they are granted. In addition, cash-settled share-based payments are remeasured at fair value at every reporting date.

Estimating fair value for share-based payments requires management to determine the most appropriate valuation model for a grant, which is dependent on the terms and conditions of each grant. In valuing certain types of stock-based payments, such as incentive stock options and stock appreciation rights, Crescita uses the Black-Scholes option pricing model.

Several assumptions are used in the underlying calculation of fair values of Crescita's stock options and stock appreciation rights using the Black-Scholes option pricing model, including the expected life of the option, stock price volatility and forfeiture rates.

(f) Revenue Recognition:

As is typical in the pharmaceutical industry, Crescita's royalty streams are subject to a variety of deductions that generally are estimated and recorded in the same period that the revenues are recognized and primarily represent rebates, discounts and incentives and product returns. These deductions represent estimates of the related obligations. Amounts recorded for sales deductions can result from a complex series of judgments about future events and uncertainties and can rely on estimates and assumptions.

Recent Accounting Pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the International Accounting Standards Board (the "**IASB**") or IFRS Interpretations Committee (the "**IFRIC**") that are mandatory for fiscal periods beginning on January 1, 2015 or later. The standards that may be applicable to Crescita are as follows:

IFRS 9 – Financial Instruments

In October 2010, the IASB issued IFRS 9 *Financial Instruments* which replaces IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. This new standard is effective for Crescita's interim and annual consolidated financial statements commencing on or after January 1, 2018. Crescita is in the process of reviewing the standard to determine the impact on the Crescita Annual Combined Financial Statements.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers which covers principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2018; with earlier adoption permitted. Entities will transition following either a full or modified retrospective approach. Crescita is in the process of reviewing the standard to determine the impact on the Crescita Annual Combined Financial Statements.

Other accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates, are either not applicable or are not expected to have a significant impact on the Crescita Annual Combined Financial Statements.

Crescita assesses the impact of adoption of future standards on the Crescita Annual Combined Financial Statements, but does not anticipate significant changes in 2015.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview

This Management's Discussion and Analysis ("**Interim MD&A**") has been prepared in respect of the Drug Development Business to be owned and operated by Crescita and its subsidiaries upon completion of the Arrangement. This Interim MD&A should be read in conjunction with the Crescita Annual Combined Financial Statements and the Crescita Interim Combined Financial Statements attached as Schedule "A" to this Appendix. References to "Crescita" in this Interim MD&A refer to the Crescita operations of Nuvo at the relevant period. Readers should also read the "*Notice to Readers*" and "*Forward Looking Information*" sections of this Appendix. The Crescita Interim Combined Financial Statements reported herein have been prepared in accordance with IAS 34 – *Interim Financial Reporting* and are reported in Canadian dollars. Accordingly, the Crescita Interim Combined Financial Statements do not include all disclosure required for annual financial statements in accordance with IFRS and should be read in conjunction with the Crescita Annual Combined Financial Statements.

Background

Following the completion of the Arrangement, Crescita will be a biotech company with a portfolio of products and technologies. Crescita will operate two distinct business units: the TPT Group and the Immunology Group. The TPT Group will have one commercial product, Pliaglis, that is licensed globally and a pipeline of topical and transdermal products focusing on various therapeutic areas, including pain and dermatology, and multiple drug delivery platforms that support the development of patented formulations that can deliver actives into or through the skin. The Immunology Group will have two commercial products, Oxoferin and WF10. Crescita will be governed by the OBCA and its head and registered office will be located at 7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4.

Capability to Deliver Results

Crescita will need to spend considerable resources to research, develop and manufacture its products and technologies. Crescita may finance these activities through: existing cash, revenue generated by product sales to its licensees and partners and royalties, licensing and co-development agreements for other new drug candidates or for its existing products in territories where they are not currently licensed or by raising funds in the capital markets or by incurring debt.

Crescita is dependent on its commercial partners for the sale and marketing of Pliaglis throughout the world and Oxoferin in several Asian countries.

Crescita believes that it has appropriate in-house personnel with the experience and expertise 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, Crescita has access to the commercial, regulatory and scientific expertise of its advisory boards to assist it through all aspects of the commercialization and drug development process.

Litigation

From time-to-time, during the ordinary course of business, Nuvo is, and Crescita may be, threatened with or named as a defendant in various legal proceedings including lawsuits based upon product liability, personal injury, breach of contract and lost profits or other consequential damage claims.

Liquidity

Crescita has incurred significant losses to date. As at September 30, 2015, Crescita's historical losses have exceeded Nuvo's investment in Crescita resulting in a net investment of $(2.8) million which includes a net loss of $3.3 million and $11.0 million for the three and nine months ended September 30, 2015, respectively.

Crescita is economically dependent on, and has historically relied on, Nuvo for funding to support its operations. As described in Note 17 – *Subsequent Events* of the Crescita Interim Combined Financial Statements, under the terms of the Arrangement, Nuvo will invest an estimated $35.0 million of additional funds in Crescita to provide working capital.

Crescita's ability to continue as a going concern depends on:

- its ability to advance the development of its pipeline products to significant milestones that are financeable; and
- its ability to secure additional licensing fees, secure co-development agreements, obtain additional capital when required, obtain regulatory approval for other drugs and ultimately achieve profitable operations.

As there can be no certainty as to the outcome of the above matters there is material uncertainty that may cast significant doubt about Crescita's ability to continue as a going concern.

Crescita anticipates that its current cash, together with the estimated $35.0 million additional investment from Nuvo as part of the Pre-Arrangement Transactions, revenues it expects to generate from product sales to its licensees and distributors and royalty payments will be sufficient to execute its current business plan for the next 24 months. Beyond that date, there can be no assurance that Crescita will have sufficient capital to fund its ongoing operations or develop or commercialize any further products without future financings. Crescita expects that it will continue to incur losses as its revenue streams are not sufficient to fund: its operations, the infrastructure necessary to support a public company and the costs of selectively advancing its drug development pipeline.

Nonetheless, companies in the pharmaceutical R&D industry typically require periodic funding in order to develop drug candidates until such time as at least one drug candidate has been successfully commercialized such that the company is receiving sufficient revenue to fund its operations. Crescita has not yet reached this stage and therefore Crescita monitors, and will monitor on a regular basis, its liquidity position, the status of its partners' commercialization efforts, the status of its drug development programs, including cost estimates for completing various stages of development, the scientific progress of each drug candidate and the potential to license or co-develop each drug candidate.

There can be no assurance that additional financing would be available on acceptable terms, or at all, when and if required. If adequate funds were not available when required, Crescita may have to substantially reduce or eliminate planned expenditures, terminate or delay clinical trials for its product candidates, curtail product development programs designed to expand the product pipeline or discontinue certain operations. If Crescita is unable to obtain additional financing when and if required, Crescita may be unable to continue operations.

The Crescita Interim Combined Financial Statements do not include adjustments to the amounts and classification of assets and liabilities that would be necessary should Crescita be unable to continue as a going concern.

Selected Financial Information
in thousands (except per share)

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
	$	$	**$**	$
Operations				
Product sales	**178**	146	**540**	403
Royalties	**29**	67	**168**	128
Total Revenue	**207**	213	**708**	531
Total operating expenses	**3,494**	3,541	**11,715**	9,606
Loss from operations	**(3,287)**	(3,328)	**(11,007)**	(9,075)
Other (income) expenses	**16**	9	**36**	(143)
Net loss	**(3,303)**	(3,337)	**(11,043)**	(8,932)
Other comprehensive income (loss)	**10**	11	**(47)**	(1)
Total comprehensive loss	**(3,293)**	(3,326)	**(11,090)**	(8,933)
Share Information				
Net loss per share				
Basic and diluted	**$(0.30)**	$(0.32)	**$(1.01)**	$(0.91)
Weighted average number of common shares outstanding for the period				
Basic and diluted	**10,971**	10,289	**10,897**	9,825

	As at September 30, 2015	As at December 31, 2014
Financial Position	**$**	$
Cash	**796**	443
Total assets	**1,520**	1,636
Other obligations, including current portion	**258**	326
Total liabilities	**3,200**	3,737
Total net investment	**(1,680)**	(2,101)

Non-IFRS Financial Measure

Crescita discloses non-IFRS measures that do not have standardized meanings prescribed by IFRS, but are considered useful by management, investors and other financial stakeholders to assess Crescita's performance and management from a financial and operational standpoint. "Total operating expenses" is defined as the sum of: COGS, R&D expenses, G&A expenses, and interest expense, net of interest income. "Loss from operations" is defined as total revenue, less total operating expenses. Crescita considers these to be useful measures, as they provide investors with an indication of the operating performance by Crescita before considering gains or losses from foreign exchange or items that are non-recurring transactions.

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 will be impacted for the foreseeable future by several factors including the timing and amount of royalties and other payments received pursuant to current and future collaborations and licensing arrangements and the progress and timing of expenditures related to R&D efforts. Due to these fluctuations, Crescita believes that the period-to-period comparisons of its operating results are not necessarily a good indicator of future performance.

Results of Operations

Product Sales
in thousands

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
	$	$	**$**	$
Oxoferin	**134**	146	**496**	403
WF10	**44**	—	**44**	—
Total product sales	**178**	146	**540**	403

Product sales, which represent Crescita's sales of Oxoferin (a topical wound healing agent, containing the same active ingredient as WF10, but at a lower concentration) and WF10 to licensees and distributors, were $0.2 million and $0.5 million for the three and nine months ended September 30, 2015, respectively, as compared to $0.1 million and $0.4 million for the three and nine months ended September 30, 2014, respectively. For the three months ended September 30, 2015, the increase in sales was the result of higher sales to Crescita's distributor in Morocco that launched Oxoferin in 2014 and Crescita's WF10 distributor in Thailand. For the nine months ended September 30, 2015, the increase in sales was the result of higher sales to Crescita's distributors in Morocco and Malaysia, partially offset by lower sales to Crescita's distributor in Pakistan.

Royalties Revenue

In 2014, Crescita received royalties from Galderma, its global licensee for Pliaglis. Royalties are determined using agreed upon formulas based on the definition of the licensee's net sales as defined in the licensing agreement. Crescita recognizes royalty revenue based on the net sales of the licensee.

Royalties related to the global net sales of Pliaglis were $29,000 and $168,000 for the three and nine months ended September 30, 2015, respectively, as compared to $67,000 and $128,000 for the three and nine months ended September 30, 2014, respectively.

Operating Expenses
in thousands

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
	$	$	**$**	$
Cost of goods sold	**75**	54	**315**	124
Research and development	**1,441**	1,689	**7,107**	4,851
General and administrative	**1,969**	1,786	**4,262**	4,591
Interest expense	**9**	12	**31**	40
Total operating expenses	**3,494**	3,541	**11,715**	9,606

Operating expenses include certain costs paid for Crescita by Nuvo. These cost allocations have been determined on a basis considered by Crescita and Nuvo to be a reasonable reflection of the utilization of services provided by Crescita (See Note 3 – Summary of Significant Accounting Policies in the Crescita Interim Combined Financial Statements). Total operating expenses for the three and nine months ended September 30, 2015 were $3.5 million and $11.7 million, respectively, as compared to $3.5 million and $9.6 million for the three and nine months ended September 30, 2014, respectively. In the three-month period, an increase in professional fees related to the proposed Arrangement was offset by the revaluation of cash-settled SBC costs which are primarily included in G&A costs for the quarter. The increase for the nine-month period was primarily due to the increase in R&D expenses related to the WF10 phase 2 clinical trial which were slightly offset by the revaluation of cash-settled SBC costs which are primarily included in G&A costs.

Cost of Goods Sold

COGS for the three and nine months ended September 30, 2015 was $75,000 and $315,000, respectively, as compared to $54,000 and $124,000 for the three and nine months ended September 30, 2014, respectively. The increase in COGS in the current three and nine months was associated with increased product sales, as well as a $63,000 write-down of inventory during the nine months ended September 30, 2015. Gross margin was $0.1 million or 58% and $0.2 million or 42% for the three and nine months ended September

30, 2015, respectively, as compared to a gross margin of $0.1 million or 63% and $0.3 million or 69% for the three and nine months ended September 30, 2014, respectively.

Research and Development

R&D expenses were $1.4 million and $7.1 million for the three and nine months ended September 30, 2015, respectively, as compared to $1.7 million and $4.9 million for the three and nine months ended September 30, 2014, respectively.

In the Immunology Group, R&D expenses were $1.0 million and $5.8 million for the three and nine months ended September 30, 2015, respectively, as compared to $1.3 million and $3.7 million for the three and nine months ended September 30, 2014, respectively. The costs in the current quarter related to the 2015 WF10 Study. The external costs for this trial will be approximately $4.5 million of which Crescita has paid $3.0 million as of September 30, 2015. In December, Nuvo announced top line results of the 2015 WF10 study. The top line results showed that patients dosed with WF10 did not report a reduction in symptoms that was significantly better than patients dosed with a saline placebo at any of the endpoints being measured in the study. There was no significant difference in the performance of WF10 relative to placebo when patients were exposed to grass and ragweed pollen in the EEC or when they were exposed to naturally occurring allergens during the field portion of the study. Nuvo believes that the results are not sufficient to justify the further development of WF10 for the treatment of allergic rhinitis and plans to discontinue all WF10 development. In the comparative three and nine months, the Immunology Group incurred R&D costs related to the 2014 WF10 Study using WF10 as a treatment for moderate to severe allergic rhinitis. The trial did not meet its primary endpoint.

In the TPT Group, R&D expenses were $0.4 million and $1.3 million for the three and nine months ended September 30, 2015, respectively, as compared to $0.4 million and $1.2 million for the three and nine months ended September 30, 2014, respectively. During the three and nine months ended September 30, 2015, the TPT R&D facility was focused on the collaboration agreement with Ferndale to develop two topical dermatology products based on Nuvo's patented MMPE technology. In the comparative period, Crescita incurred costs associated with its share of the post-approval commitment for Pliaglis.

R&D expenditures vary depending on the stage of development of drug products and candidates in Crescita's pipeline and management's allocation of Crescita's resources to these activities in general and to each drug specifically.

General and Administrative

G&A expenses were $2.0 million and $4.3 million for the three and nine months ended September 30, 2015, respectively, as compared to $1.8 million and $4.6 million for the three and nine months ended September 30, 2014, respectively. The slight increase in the three months ended September 30, 2015 related to a $0.4 million increase in professional fees which was offset by a decrease in SBC allocated from Nuvo primarily from the adjustment to market value for the outstanding Nuvo SARs and Nuvo DSUs at September 30, 2015, as well as a decrease in non-cash charges related to amortization of Crescita's intangible assets.

The decrease in the nine months ended September 30, 2015 related primarily to a decrease in SBC allocated from Nuvo primarily from the adjustment to market value for the outstanding Nuvo SARs and Nuvo DSUs at September 30, 2015, as well as a decrease in non-cash charges related to amortization of Crescita's intangible assets. This decrease was partially offset by a $0.4 million increase in professional fees related to the proposed Arrangement.

Interest

Interest expense was $9,000 and $31,000 for the three and nine months ended September 30, 2015, respectively, as compared to $12,000 and $40,000 for the three and nine months ended September 30, 2014, respectively. Interest expense includes non-cash accretion charges on the five-year consulting agreement as part of the consideration paid for the 2011 acquisition of the non-controlling interest in Nuvo Research AG.

Loss from Operations

Loss from operations was unchanged at $3.3 million for the three months ended September 30, 2015 and September 30, 2014. In the current quarter, loss from operations was attributable to increased G&A expenditures related to the proposed Arrangement which was offset by lower SBC costs allocated from Nuvo from the revaluation of Nuvo SARs and Nuvo DSUs to market value and lower R&D expenditures due to the timing of expenses associated with the 2015 WF10 Study.

Loss from operations for the nine months ended September 30, 2015 increased to $11.0 million compared to $9.1 million for the nine months ended September 30, 2014. The increased loss from operations was attributable to increased R&D expenditures related to the 2015 WF10 Study, slightly offset by lower SBC costs allocated from Nuvo from the revaluation of Nuvo SARs and Nuvo DSUs to market value.

Foreign Currency Loss (Gain)

Crescita experienced a net foreign currency loss of $16,000 and $36,000 for the three and nine months ended September 30, 2015, respectively, as compared to a net foreign currency loss of $9,000 and a net foreign currency gain of $143,000 for the three and nine months ended September 30, 2014, respectively. In the three and nine-month period ended September 30, 2015, the impact of the weaker Canadian dollar versus the U.S. dollar and Euro increased the value of U.S. and Euro denominated cash and receivables. In the comparative nine month period, Crescita realized a foreign currency gain on its receipt of a $2.1 million (US$2.0 million) milestone payment earned in fiscal 2013 pursuant to Nuvo's license agreement with Galderma.

Net Loss and Total Comprehensive Loss
in thousands

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
	$	$	**$**	$
Net loss	**(3,303)**	(3,337)	**(11,043)**	(8,932)
Unrealized gains (loss) on translation of foreign operations	**10**	11	**(47)**	(1)
Total comprehensive loss	**(3,293)**	(3,326)	**(11,090)**	(8,933)

Net Loss

Net loss was $3.3 million and $11.0 million for the three and nine months ended September 30, 2015, respectively, as compared to a net loss of $3.3 million and $8.9 million for the three and nine months ended September 30, 2014, respectively.

Total Comprehensive Loss

Total comprehensive loss was consistent at $3.3 million for the three months ended September 30, 2015 and September 30, 2014. The current quarter included an unrealized gain of $10,000 on the translation of foreign operations compared to an unrealized gain of $11,000 in the comparative period.

Total comprehensive loss was $11.1 million for the nine months ended September 30, 2015 compared to a total comprehensive loss of $8.9 million for the nine months ended September 30, 2014. The current nine months included an unrealized loss of $47,000 on the translation of foreign operations compared to a $1,000 unrealized loss in the comparative period.

Net Loss Per Common Share

Net loss per share on a basic and diluted basis was $0.30 and $1.01 for the three and nine months ended September 30, 2015, respectively, versus a net loss per share of $0.32 and $0.91 on a basic and diluted basis for the three and nine months ended September 30, 2014, respectively.

The weighted average number of shares outstanding on a basic and diluted basis was 11.0 million and 10.9 million for the three and nine months ended September 30, 2015, respectively, as compared to 10.3 and 9.8 million on a basic and diluted basis for the three and nine months ended September 30, 2014, respectively.

Segments

On a segmented basis, the TPT Group, which includes all Pliaglis activities, incurred a net loss before income taxes of $2.2 million and $4.8 million for the three and nine months ended September 30, 2015, respectively, as compared to a net loss before income taxes of $1.8 million and $4.8 million for the three and nine months ended September 30, 2014, respectively. The increase in the three-month period ended September 30, 2015 was primarily due to increased G&A expenditures related to the proposed Arrangement, slightly offset by lower SBC costs allocated from Nuvo from the revaluation of Nuvo SARs and Nuvo DSUs to market value. In the nine-month period ended September 30, 2015, G&A expenditures were unchanged as the cost of the proposed Arrangement was offset by lower SBC costs allocated from Nuvo from the revaluation of Nuvo SARs and Nuvo DSUs to market value.

The Immunology Group, which includes all WF10 activities, incurred a net loss before income taxes of $1.1 million for the three months ended September 30, 2015 compared to $1.6 million for the three months ended September 30, 2014. The decrease in net loss in the current three-month period was a result of the timing of expenses associated with the 2015 WF10 Study compared to the timing of expenses associated with the 2014 WF10 Study. In the nine months ended September 30, 2015, the Immunology Group

incurred an increased net loss before income taxes of $6.3 million compared to $4.1 million for the nine months ended September 30, 2014. The increase in costs related to the 2015 WF10 Study.

Liquidity and Capital Resources
in thousands

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
	$	$	**$**	$
Net loss	**(3,303)**	(3,337)	**(11,043)**	(8,932)
Items not involving current cash flows	**79**	106	**219**	246
Cash used in operations	**(3,224)**	(3,231)	**(10,824)**	(8,686)
Net change in non-cash working capital	**815**	818	**(148)**	2,677
Cash used in operating activities	**(2,409)**	(2,413)	**(10,972)**	(6,009)
Cash used in investing activities	**-**	(14)	**(13)**	(22)
Cash provided by financing activities	**2,692**	2,722	**11,283**	6,153
Effect of exchange rates on cash and cash equivalents	**42**	(8)	**55**	59
Net change in cash during the period	**325**	287	**353**	181
Cash beginning of period	**471**	515	**443**	621
Cash end of period	**796**	802	**796**	802

Cash

Cash was $0.8 million at September 30, 2015, an increase of $0.4 million compared to $0.4 million at December 31, 2014. Crescita is economically dependent on and has historically relied on Nuvo for funding to support its operations. As described in Note 17 – *Subsequent Events* of the Crescita Interim Combined Financial Statements, pursuant to the Pre-Arrangement Transactions, Nuvo will invest an estimated $35.0 million of additional funds in Crescita to provide working capital.

Operating Activities

Cash used in operations was consistent at $3.2 million for the three months ended September 30, 2015 and September 30, 2014. Cash used in operations was $10.8 million and $8.7 million for the nine months ended September 30, 2015 and September 30, 2014, respectively. In the nine months ended September 30, 2015, the increase in cash used in operations related to payments made for expenses associated with the 2015 WF10 Study.

Overall cash used in operating activities was consistent at $2.4 million for the three months ended September 30, 2015 and September 30, 2014. In both the current and comparative periods, Crescita realized a $0.8 million recovery of non-cash working capital.

For the nine months ended September 30, 2015, cash used in operating activities increased by $5.0 million to $11.0 million versus $6.0 million for the nine months ended September 30, 2014, primarily due to an increase in net loss and a $0.1 million investment of working capital compared to a $2.7 million recovery of non-cash working capital in the comparative period. In the current period, the investment in working capital related primarily to a $0.6 million decrease in accounts payable and accrued liabilities, slightly offset by a $0.1 million decrease in accounts receivable and a $0.4 million decrease in other current assets. In the comparative period, Crescita's recovery in non-cash working capital was attributable to a $2.0 million decrease in accounts receivable due to the collection of a $2.1 million (US$2.0 million) milestone payment from Galderma and a $0.7 million increase in accounts payable and accrued liabilities, slightly offset by increased inventories and other assets.

Investing Activities

Net cash used in investing activities was nil and $13,000 for the three and nine months ended September 30, 2015, respectively, as compared to $14,000 and $22,000 for the three and nine months ended September 30, 2014, respectively. In both the current and comparative periods, cash used in investing activities was primarily attributable to fixed asset purchases by Crescita.

Financing Activities

Net cash provided by financing activities was $2.7 million and $11.3 million for the three and nine months ended September 30, 2015, respectively, as compared to $2.7 million and $6.2 million for the three and nine months ended September 30, 2014, respectively. Crescita is economically dependent on and has historically relied on Nuvo for funding to support its operations. For both the current and comparative periods, funding provided by Nuvo was offset by payments made towards the five-year consulting agreement recognized as part of the non-controlling interest in 2011.

Financial Instruments

Fair Values

IFRS 7 Financial Instruments: Disclosures requires disclosure of a three-level hierarchy that reflects the significance of the inputs used in making fair value measurements. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in 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.

Assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurements. Crescita 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. Crescita did not have any transfer of assets and liabilities between Level 1, Level 2 and Level 3 of the fair value hierarchy during the nine months ended September 30, 2015 and the year ended December 31, 2014.

Crescita believes that it 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 Crescita 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 1 liabilities include obligations of Crescita for the Nuvo DSUs described in Note 9 in the Crescita Interim Combined Financial Statements. One Nuvo DSU has a cash value equal to the market price of one Nuvo Common Share. Nuvo revalues the Nuvo DSU liability each reporting period using the market value of the underlying shares.

Level 2 liabilities include obligations of Crescita for the Nuvo SARS Plan described in Note 9 in the Crescita Interim Combined Financial Statements. The fair values of each tranche of Nuvo SARs issued and outstanding is revalued by Nuvo at each reporting period using the Black-Scholes option pricing model.

As at September 30, 2015 and December 31, 2014, the fair values of all other short-term financial assets and liabilities, presented in the Interim Combined Statements approximate their carrying amounts due to the short period to maturity of these financial instruments.

Rates currently available to Crescita for a long-term obligation, with similar terms and remaining maturity, have been used to estimate the fair value of the long-term consulting agreement. The fair value of the long-term consulting agreement approximates its carrying value.

Financial Risk Management

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

While Crescita had $0.8 million in cash as at September 30, 2015, it continues to have an ongoing need for substantial capital resources to research, develop, commercialize and manufacture its products and technologies as Crescita is not generating enough cash to funds its operations.

Crescita has contractual obligations related to accounts payable and accrued liabilities, purchase commitments and other obligations of $5.0 million that are due in less than one year and $0.1 million of contractual obligations that are payable from 2016 to 2018.

Crescita is economically dependent on and has historically relied on Nuvo for funding to support its operations. As described in Note 17 – *Subsequent Events* of the Crescita Interim Combined Financial Statements, under the terms of the Arrangement, Nuvo will invest an estimated $35.0 million of additional funds in Crescita to provide working capital. Crescita anticipates that this additional

investment, together with its current cash and the revenues it expects to generate from product sales and royalty payments will be sufficient to execute its current business plan for the next 24 months.

The future cash requirements of Crescita are estimated by preparing a budget annually which was reviewed and approved by Nuvo's Board of Directors. The budget establishes the approved activities for the upcoming year and estimates the costs associated with these activities. Actual spending relative to budgeted expenditures will be monitored regularly by management and reviewed by the Crescita Board quarterly.

Crescita's exposure to liquidity risk is dependent on its R&D programs and associated commitments and obligations, and the raising of capital. Crescita has historically relied on funding from Nuvo to support its operations. There are no assurances that additional funds will be available to Crescita when required.

Credit Risk

Credit risk is the risk of financial loss to Crescita if the counterparty to a financial instrument fails to meet is contractual obligations. Financial instruments that may subject Crescita to credit risk consist of cash and amounts receivable from global customers.

Crescita manages its exposure to credit losses by holding cash on deposit in major financial institutions.

Crescita, in the normal course of business, is exposed to credit risk from its global customers most of whom are in the pharmaceutical industry. The accounts receivable are subject to normal industry risks in each geographic region in which Crescita operates. In addition, Crescita is exposed to credit related losses on sales to its customers outside North America and the E.U. due to potentially higher risks of enforceability and collectability. Crescita attempts to manage these risks prior to the signing of distribution or licensing agreements by dealing with creditworthy customers; however, due to the limited number of potential customers in each market, this is not always possible. In addition, a customer's creditworthiness may change subsequent to becoming a licensee or distributor and the terms and conditions in the agreement may prevent Crescita from seeking new licensees or distributors in these territories during the term of the agreement.

At September 30, 2015, 77% of accounts receivable related to customers outside North America and the E.U. (December 31, 2014 - 94%).

Interest Rate Risk

Crescita is not subject to significant interest rate risk as its long-term obligation is non-interest bearing.

Currency Risk

Crescita operates globally, which gives rise to a risk that earnings and cash flows may be adversely affected by fluctuations in foreign currency exchange rates. Crescita is primarily exposed to the U.S. dollar and Euro, but also transacts in other foreign currencies. Crescita currently does not use financial instruments to hedge these risks. The significant balances in foreign currencies were as follows:

in thousands	Euros		U.S. Dollars	
	September 30, 2015	December 31, 2014	**September 30, 2015**	December 31, 2014
	€	**€**	**$**	$
Cash	**373**	**172**	**151**	150
Accounts receivable	**89**	**242**	**17**	55
Other current assets	**1**	**159**	**-**	-
Accounts payable and accrued liabilities	**(714)**	**(842)**	**(289)**	(363)
Other long-term obligations	**-**	**-**	**(193)**	(281)
	(251)	**(269)**	**(314)**	(439)

Based on the aforementioned net exposure as at September 30, 2015, 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 $42,000 on total comprehensive loss and a 10% appreciation or depreciation of the Canadian dollar against the Euro would have an effect of $37,000 on total comprehensive loss.

In terms of the Euro, Crescita has one significant exposure: its net investment in and net cash flows from its European operations. In terms of the U.S. dollar, Crescita has three significant exposures: its net investment in and net cash flows from its U.S. operations, the cost of running trials and other studies at U.S. sites and revenue generated in U.S. dollars from licensing agreements with Galderma, Crescita's licensee for Pliaglis.

Crescita does not actively hedge any of its foreign currency exposures given the relative risk of currency versus other risks Crescita faces and the cost of establishing the necessary credit facilities and purchasing financial instruments to mitigate or hedge these exposures. As a result, Crescita does not attempt to hedge its net investments in foreign subsidiaries.

Crescita does not currently hedge its Euro cash flows. Periodically, Crescita reviews the amount of Euros held, and if they are excessive compared to Crescita's projected future Euro cash flows, they may be converted into U.S. or Canadian dollars. If the amount of Euros held is insufficient, Crescita may convert a portion of other currencies into Euros.

Crescita does not currently hedge its U.S. dollar cash flows. Crescita's U.S. operations have net cash outflows and currently these are funded using Crescita's U.S. dollar denominated cash and payments received under the terms of the licensing agreements with Galderma. Periodically, Crescita reviews its projected future U.S. dollar cash flows and if the U.S. dollars held are insufficient, Crescita may convert a portion of its other currencies into U.S. dollars. If the amount of U.S. dollars held is excessive, they may be converted into Canadian dollars or other currencies, as needed for Crescita's other operations.

Contractual Obligations

The following table lists Crescita's contractual obligations for the twelve-month periods ending September 30 as follows:

in thousands	**Total**	2016	2017	2018 and thereafter
	$	$	$	$
Operating leases	**68**	65	2	1
Purchase obligations	**1,793**	1,793	—	—
Other obligations[(1)]	**3,225**	3,142	83	—
	5,086	5,000	85	1

(1) Other obligations include accounts payable, accrued liabilities and the long-term consulting contract with the former minority shareholder of Nuvo Research AG.

Off-Balance Sheet Arrangements

Crescita does not have any off-balance sheet arrangements.

Related Party Transactions

The Company has allocated corporate expenses of the corporate office to the carved-out entity. General corporate expense allocations represent costs related to corporate functions such as executive oversight, risk management, accounting, legal, investor relations, human resources, tax and other services. Expense allocations also include costs for certain compensation related items such as stock-based compensation that Nuvo provides to certain of Crescita's employees.

Corporate cost allocations that are reflected in G&A expenses totaled $1.7 million and $3.6 million for the three and nine months ended September 30, 2015, respectively ($1.2 million and $3.3 million for the three and nine months ended September 30, 2014, respectively). Corporate cost allocations that are reflected in R&D expenses totaled $0.1 million and $0.4 million for the three and nine months ended September 30, 2015, respectively ($0.2 million and $0.5 million for the three and nine months ended September 30, 2014, respectively).

Crescita and Nuvo considered these general corporate expense allocations to be a reasonable reflection of the underlying nature of the operations of these entities and of the utilization of services provided. The allocations may not, however, reflect the expense Crescita would have incurred as a stand-alone company. Actual costs which may have been incurred if Crescita had been a stand-alone public company during the three and nine months ended September 30, 2015 and 2014 would depend on a number of factors, including how Crescita chose to organize itself, if any functions were outsourced or performed by Crescita employees and strategic decisions in areas such as infrastructure.

Critical Accounting Policies and Estimates

The preparation of the Crescita Interim Combined Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the Crescita Interim Combined Financial Statements and the reported amounts of revenue and expenses during the reporting periods. Crescita's actual results could differ from these estimates and such differences could be material. All significant accounting policies are disclosed in Note 3, "Summary of Significant Accounting Policies" of the Crescita Annual Combined Financial Statements.

Recent Accounting Pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for fiscal periods beginning on January 1, 2015 or later. The standards that may be applicable to Crescita are as follows:

IFRS 9 – Financial Instruments

In October 2010, the IASB issued IFRS 9 Financial Instruments which replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. This new standard is effective for the Company's interim and annual consolidated financial statements commencing on or after January 1, 2018. Crescita is in the process of reviewing the standard to determine the impact on the Crescita Interim Combined Financial Statements.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers which covers principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2018; with earlier adoption permitted. Entities will transition following either a full or modified retrospective approach. Crescita is in the process of reviewing the standard to determine the impact on the Crescita Interim Combined Financial Statements.

Other accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates, are either not applicable or are not expected to have a significant impact on Crescita's financial statements.

DESCRIPTION OF CAPITAL STRUCTURE

Crescita will be authorized to issue an unlimited number of Crescita Common Shares and an unlimited number of Crescita Preferred Shares. The following is a summary of the rights, privileges, restrictions and conditions attached to the Crescita Common Shares and the Crescita Preferred Shares. As of the date hereof, no Crescita Common Shares or Crescita Preferred Shares have been issued. It is estimated that immediately following completion of the Arrangement, based on the number of outstanding Nuvo Common Shares as of December 31, 2015, an aggregate of approximately 11,476,524 Crescita Common Shares and no Crescita Preferred Shares will be issued and outstanding, assuming that (a) all Nuvo Warrants and Nuvo Broker Warrants are exercised in full prior to the Arrangement Time, (b) 265,318 Nuvo Common Shares are issued upon the settlement of outstanding Nuvo DSUs pursuant to Section 2.3(b) of the Plan of Arrangement, (c) no additional Nuvo Common Shares are issued between December 31, 2015 and the Arrangement Date (including pursuant to the exercise of Nuvo Options), and (d) no Shareholders exercise Dissent Rights.

Crescita Common Shares

The holders of Crescita Common Shares are entitled to receive notice of any meeting of Crescita's shareholders and to attend and vote thereat, excepting those meetings at which only those holding another class of shares or a particular series are entitled to vote. Each Crescita Common Share entitles its holder to one vote. Subject to the rights of those holding Crescita Preferred Shares, if any, the holders of Crescita Common Shares are entitled to receive on a pro rata basis such dividends as the Crescita Board may declare out of funds legally available. In the event of the dissolution, liquidation, winding-up or other distribution of Crescita's assets, such holders are entitled to receive on a pro rata basis, all Crescita's remaining assets after payment of all liabilities, subject to the rights of the holders of the Crescita Preferred Shares. The Crescita Common Shares carry no pre-emptive or conversion rights. The preceding was a summary of the principal characteristics of the Crescita Common Shares.

Crescita Preferred Shares

Crescita Preferred Shares may be issued from time-to-time in one or more series, the number, designation, rights, privileges, restrictions and conditions of which are to be determined by the Board of Directors of Crescita. The Crescita Preferred Shares are

entitled to priority over the Crescita Common Shares with respect to the payment of dividends and distributions in the event of the dissolution, liquidation or winding-up of Crescita. Except as required by law, the holders of first preferred shares as a class, and holders of second preferred shares as a class, are not entitled to receive notice of, attend or vote at any meeting of Crescita's shareholders. The preceding was a summary of the principal characteristics of the Crescita Preferred Shares.

DIVIDEND POLICY

The declaration of dividends on Crescita Common Shares will be at the sole discretion of the Crescita Board. No dividend policy has yet been adopted by the Crescita Board, however, as noted in the Management Information Circular, Nuvo has never paid dividends on the Nuvo Common Shares and Crescita does not expect to pay dividends on the Crescita Common Shares in the near future. As a result, the return on an investment in the Crescita Common Shares will depend upon any future appreciation in value. There is no guarantee that the Crescita Common Shares will appreciate in value or even maintain the price at which they initially trade following completion of the Arrangement.

The Crescita Board is under no obligation to declare dividends and any determination by the board to declare a dividend will depend on, among other things, the financial condition of Crescita and the need to finance Crescita's business activities. Restrictions in credit or financing agreements entered into by Crescita or the provisions of applicable law may preclude the payment of dividends by Crescita in certain circumstances.

CRESCITA RIGHTS PLAN

At the Meeting, if the Arrangement Resolution is approved, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, the Crescita Rights Plan Resolution, subject to such amendments, variations or additions as may be approved at the Meeting, to approve and adopt the Crescita Rights Plan. If the Crescita Rights Plan Resolution is passed, the Crescita Rights Plan will take effect on the Arrangement Date immediately following completion of the Arrangement and it is expected that the Crescita Board will ratify and approve the adoption of the Crescita Rights Plan on the Arrangement Date.

The Crescita Rights Plan Resolution is attached to the Management Information Circular as Appendix "C". The Crescita Rights Plan Resolution must be approved at the Meeting by more than 50% of the votes cast by Shareholders voting, in person or by proxy, at the Meeting. For a further description of the procedure regarding the Crescita Rights Plan Resolution and the Nuvo Board of Directors' recommendation with respect thereto, see "*Voting Information and General Proxy Matters—Procedure and Votes Required*" in the Management Information Circular.

Purpose

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

Shareholder rights plans continue to be adopted by a large number of publicly held corporations in Canada and the United States. The terms of the Crescita Rights Plan are generally similar to those recently adopted by other major Canadian companies, and is substantially the same as Nuvo's existing shareholder rights plan.

Principal Terms

The following is a summary of the principal terms of the Crescita Rights Plan, which is qualified in its entirety by reference to the Crescita Rights Plan, the proposed form of which is attached to the Management Information Circular as Appendix O. Certain capitalized terms used in this section and not otherwise defined have the meanings given to such terms in the Crescita Rights Plan.

Shareholder Approval

The Crescita Rights Plan Resolution must be approved by a majority of the votes cast at the Meeting. If the Crescita Rights Plan Resolution is not approved, the Crescita Rights Plan will not become effective.

If the Crescita Rights Plan is approved at the Meeting, it will become effective immediately following completion of the Arrangement (the "**Record Time**").

Rights Prior to Separation Time

At the Record Time, one right (each, a "**Right**") will be issued and attached to each Crescita Common Share outstanding. One Right will be issued and attached to each Crescita Common Share subsequently issued. Rights cannot be exercised prior to the Separation Time (as defined below). Until the Separation Time, the Rights will be evidenced only by the register maintained by the Rights Agent and will be transferred with, and only with, the associated Crescita Common Shares. Until the Separation Time, or the earlier termination or expiration of the Rights, each new share certificate issued after the Record Time, upon transfer of existing Crescita Common Shares or the issuance of additional Crescita Common Shares, will display a legend incorporating the terms of the Crescita Rights Plan by reference.

Separation Time

The Rights will separate and trade apart from the Crescita Common Shares after the Separation Time, at which time separate certificates evidencing the Rights will be mailed to the holders of record of Crescita Common Shares. "**Separation Time**" means the close of business on the 10th business day after the earlier of: (a) the first date of a public announcement of facts indicating that a person has become an Acquiring Person; (b) the commencement of, or first public announcement of the intent of any person, other than Crescita or any corporation controlled by Crescita, to commence a Take-over Bid (as defined below); or (c) the date upon which a Permitted Bid (as defined below) ceases to be a Permitted Bid or, in any circumstances, such later date as may be determined by the Board of Directors of Crescita, acting in good faith. After the Separation Time and prior to the occurrence of a Flip-in Event (as defined below), each Right entitles the holder to acquire one Crescita Common Share upon payment of an Exercise Price equal to five times the Market Price per Crescita Common Share determined as at the Separation Time.

Acquiring Person and Flip-in Event

An Acquiring Person is generally a person who beneficially acquires 20% or more of the outstanding voting shares of Crescita. The Crescita Rights Plan provides certain exceptions to that rule, including a person who acquires 20% or more of the outstanding Crescita Common Shares through a Permitted Bid, pursuant to certain other exempt acquisitions, or in its capacity as Investment Manager, Trust Company, Plan Trustee or Statutory Body, provided in these latter instances, that the person is not making or proposing to make a Take-over Bid. The term Acquiring Person does not include Crescita or any corporation controlled by Crescita. A "**Flip-in Event**" occurs when any person becomes an Acquiring Person, at which time each Right will convert into the right to purchase from Crescita, upon exercise, a number of Crescita Common Shares having an aggregate Market Price on the date of the Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price.

Permitted Bid

Neither a Flip-in Event nor the Separation Time would occur if a take-over bid is a Permitted Bid. A "**Permitted Bid**" is a Take-over Bid, made by a means of a Take-over Bid circular, which among other things:

(a) is made to all holders of record of Crescita Common Shares as registered on the books of Crescita (other than the Offeror and the Offeror's affiliates, associates and persons acting jointly or in concert with any of them);

(b) contains, and the take-up and payment for Crescita Common Shares tendered or deposited is subject to, an irrevocable and unqualified condition that no Crescita Common Shares will be taken up or paid for pursuant to the Take-over Bid prior to the close of business on a date which is not less than 120 days following the date of the Take-over Bid;

(c) contains irrevocable and unqualified provisions that all Crescita Common Shares may be deposited pursuant to the Take-over Bid at any time prior to the close of business on the date of first take-up or payment for Crescita Common Shares under the bid and that all Crescita Common Shares deposited pursuant to the Take-over Bid may be withdrawn at any time prior to the close of business on such date;

(d) contains an irrevocable and unqualified condition that the number of Crescita Common Shares deposited to the Take-over Bid and not withdrawn at the close of business on the date of first take-up or payment for Crescita Common Shares under the bid must constitute more than 50% of the then outstanding Crescita Common Shares held by shareholders independent of the Offeror; and

(e) contains an irrevocable and unqualified provision that, should the condition referred to in paragraph (d) above be met, the Take-over Bid will be extended on the same terms for a period of not less than 10 days from the date of first take-up or payment for common shares under the bid.

The Crescita Rights Plan also provides for a Competing Permitted Bid, which is a Take-over Bid made during another Permitted Bid that satisfies all of the requirements of a Permitted Bid other than the requirements of paragraph (b) above. The competing Permitted Bid may not expire earlier than the date of the Permitted Bid.

Take-over Bid

A Take-over Bid is defined in the Crescita Rights Plan as an offer to acquire Crescita Common Shares or securities convertible into Crescita Common Shares, where the Crescita Common Shares subject to the offer to acquire, together with the Crescita Common Shares into which the securities subject to the offer to acquire are convertible, and the Offeror's securities, constitute in the aggregate 20% or more of the outstanding Crescita Common Shares at the date of the offer.

Redemption and Waiver

At any time prior to the occurrence of a Flip-in Event, the Crescita Board may, at its option, redeem all, but not part, of the outstanding Rights at a redemption price of $0.00001 per Right, subject to appropriate adjustment in certain events.

The Crescita Board may, at its option, after the occurrence of a Flip-in Event, waive the application of the Flip-in Event provisions to a transaction that would otherwise be subject to those provisions.

Amendments

Crescita may, from time-to-time, supplement or amend the Crescita Rights Plan in order to cure any ambiguity or to correct or supplement any provisions contained in the Crescita Rights Plan which may be inconsistent with any other provision thereof or otherwise defective. Crescita may also amend the Crescita Rights Plan without the approval of any holders of Rights or Crescita Common Shares to make any changes which the Crescita Board may deem necessary or desirable and as shall not materially adversely affect the interests of the holders of Rights generally, provided that no such supplement or amendment shall be made to the provisions relating to the Rights Agent except with the concurrence of the Rights Agent.

Expiry of Rights

All Rights will expire unless continuance of the Crescita Rights Plan is approved by a majority vote of Independent Shareholders at Crescita's annual meeting of shareholders to be held in 2019 and at every third annual meeting thereafter.

OPTIONS TO PURCHASE SECURITIES AND CRESCITA INCENTIVE PLAN

Issuance of Crescita Arrangement Options Pursuant to the Arrangement

Pursuant to the Arrangement, outstanding Nuvo Options will be exchanged for Post-Arrangement Nuvo Options and Crescita Arrangement Options. For a discussion of the treatment of outstanding Nuvo Options under the Arrangement and the Crescita Arrangement Options issued in exchange for such outstanding Nuvo Options, see "*The Arrangement—Treatment of Outstanding Options*" and "*The Arrangement – Approval of Crescita Incentive Plan*" in the Management Information Circular.

Crescita Incentive Plan

The Crescita Incentive Plan will have terms substantially the same as those contained in the Nuvo Incentive Plan (as amended as described in the Management Information Circular under "*The Arrangement – Treatment of Outstanding Nuvo Options*" and "*The Arrangement – Amendments to Nuvo Incentive Plan*"). The following description of the Crescita Incentive Plan refers generally to any Crescita Options granted pursuant to the Crescita Incentive Plan following the Arrangement Date. The Crescita Arrangement Options issued pursuant to the Arrangement will have substantially the same terms, with the exceptions noted above under the heading "*The Arrangement—Treatment of Outstanding Options and Approval of Crescita Incentive Plan*" in the Management Information Circular with respect to eligibility to participate in the Crescita Incentive Plan, the date of grant and the exercise price of such Crescita Options. If the Crescita Incentive Plan Resolution is approved at the Meeting, it is expected that the Crescita Board will ratify and approve the adoption of the Crescita Incentive Plan on the Arrangement Date.

It is expected that the Crescita Incentive Plan will be a key component of compensation and will seek to integrate compensation incentives with the development and successful execution of strategic and operating plans. The Crescita Incentive Plan is designed to support the achievement of Crescita's performance objectives and to ensure that Crescita's directors', officers', employees' and other eligible participants' (e.g., any person or corporation engaged to provide ongoing management or consulting services for Crescita or one of its designated affiliates or any employee of such person or corporation) interests are aligned with the long-term success of Crescita. The Crescita Incentive Plan will consist of the Crescita Option Plan, a share purchase plan (the "**Crescita Purchase Plan**") and a share bonus plan (the "**Crescita Bonus Plan**") and will be administered by the Crescita Board based on recommendations of the Crescita CCGN Committee. The Crescita Incentive Plan or Crescita Options granted pursuant to the Crescita Option Plan may be

amended or modified by the Crescita Board in accordance with the Crescita Incentive Plan without shareholder approval, provided that any such amendment or modification which would, among other things, (a) materially increase the benefits under the Crescita Incentive Plan or any Crescita Options granted pursuant to the Crescita Incentive Plan; (b) increase the number of Crescita Common Shares which may be issued pursuant to the Crescita Incentive Plan (other than by permitted adjustments described in the Crescita Incentive Plan); or (c) materially modify the requirements as to eligibility for participation in the Crescita Incentive Plan, shall only be effective upon such amendment or modification being approved by the Crescita Shareholders if required by the TSX or any other applicable regulatory authority. Examples of amendments to the Crescita Incentive Plan that would not require shareholder approval (subject to the terms of the Crescita Incentive Plan) may include amendments that are necessary to comply with any applicable law or any requirement of the TSX (or any other stock exchange) and amendments that are of a "housekeeping" nature. No rights under the Crescita Incentive Plan and no Crescita Option awarded pursuant to the provisions of the Crescita Incentive Plan are assignable or transferable by any participant (other than to the participant's estate in certain circumstances).

The maximum number of Crescita Common Shares that will be reserved for issuance under the Crescita Incentive Plan shall be 15% of the total number of Crescita Common Shares outstanding from time to time, and the allocation of such maximum percentage among the three sub-plans comprising the Crescita Incentive Plan shall be determined by the Crescita Board (or a committee thereof) from time to time (provided that the maximum number of Crescita Common Shares that may be issued under the Crescita Bonus Plan shall not exceed a fixed number of Crescita Common Shares equal to 3% of the number of Crescita Common Shares outstanding immediately following the Arrangement Time). For certainty, to the extent (a) Crescita Options granted under the Crescita Option Plan are exercised, expire or are otherwise terminated, new Crescita Options may be granted in respect thereof, and (b) Crescita Common Shares are issued pursuant to the Crescita Purchase Plan, new Crescita Common Shares may be issued in respect thereof.

It is estimated that immediately following completion of the Arrangement, based on the number of outstanding Crescita Common Shares estimated to be outstanding immediately following the Arrangement Time of 11,476,524, the aggregate number of Crescita Common Shares reserved for issuance under the Crescita Incentive Plan will be 1,721,478, including the Crescita Common Shares issuable upon the exercise of the Crescita Arrangement Options. It is estimated that 750,021 Crescita Arrangement Options will be issued pursuant to the Arrangement, such that an additional 971,457 Crescita Common Shares (representing approximately 8.5% of the Crescita Common Shares then outstanding) would be available for issuance under the Crescita Incentive Plan immediately following completion of the Arrangement. For more information about the Crescita Incentive Plan, see "*Options to Purchase Securities and Crescita Incentive Plan – Crescita Incentive Plan*" in this Appendix.

Crescita Option Plan

Under the Crescita Option Plan, options for the purchase of Crescita Common Shares may be granted to the officers, employees, consultants and directors of Crescita and its designated affiliates. Crescita Options will be granted at the discretion of the Crescita Board (provided that the aggregate number of Crescita Common Shares reserved for issuance to any one person upon the exercise of Crescita Options shall not exceed 5% of the issued and outstanding Crescita Common Shares). In determining the number of Crescita Common Shares subject to each Crescita Option, consideration will be given to the individual's recent and potential contribution to the success of Crescita and its affiliates and the number and timing of Crescita Options previously granted to the individual. The exercise price per Crescita Common Share may not be less than the closing price of the Crescita Common Shares trading on the TSX on the last trading day immediately preceding the day the Crescita Option is granted. Each Crescita Option will have a term of not more than ten years, and, unless otherwise agreed to by the Crescita Board, will become exercisable as to one-third of the Crescita Common Shares subject to it, on a cumulative basis, at the end of each of the first, second and third years following the date of grant. However, the Crescita Board will have the discretion and on occasion may vary the vesting period and the exercise price of Crescita Options granted to NEOs (as defined below) under the Crescita Option Plan at the time of the grant.

If a participant (a "**Participant**") in the Crescita Option Plan dies, any option held by such Participant at the date of his or her death shall become immediately exercisable and shall be exercisable by the person to whom the rights of the Crescita Option shall pass in accordance with the terms of the Participant's will. No rights under the Crescita Option Plan and no Crescita Option awarded pursuant thereto will be assignable or transferable by any Participant other than pursuant to a will or by the laws of descent and distribution. If a Participant ceases to be a director, consultant or employee of Crescita or its designated affiliates, as the case may be, for any reason (other than death) (such event being a "**Termination**"), except as otherwise provided in an employment contract, consulting agreement or directors' resolution, such Participant may, but only within 60 days following Termination, exercise his or her Crescita Options to the extent such Participant was entitled to exercise such Crescita Options at the date of such Termination.

Similar to the Nuvo Option Plan, it is expected that Crescita Options granted to the three most highly compensated executive officers of Crescita or other individuals acting in a similar capacity for whom Crescita will be required to disclose certain financial and other information relating to compensation ("**NEOs**") generally shall have a term of 10 years, shall have an exercise price equal to the closing price of the Crescita Common Shares on the TSX on the day immediately prior to the date of the grant and shall vest as follows: one quarter on January 1 of the first year following the grant; one quarter on January 1 of the second year following the grant; one quarter on January 1 of the third year following the grant; and one quarter on January 1 of the fourth year following the grant (notwithstanding the general vesting schedule provided in the Crescita Option Plan described above).

Crescita Bonus Plan

The Crescita Bonus Plan will permit Crescita Common Shares to be issued by Crescita as a discretionary bonus to the officers, certain employees and directors of Crescita and its designated affiliates. Persons who perform services for Crescita will also be eligible to receive Crescita Common Shares in lieu of cash compensation. The vesting provisions for the Crescita Common Shares granted pursuant to the Crescita Bonus Plan shall be determined by the Crescita Board at the time of grant.

Crescita Purchase Plan

The officers and certain employees of Crescita and its designated affiliates will be entitled to contribute up to 10% of their annual base salary to the Crescita Purchase Plan. Crescita will match each participant's contribution by issuing Crescita Common Shares, having a value equal to the aggregate amount contributed by the participating employee, to such participating employee. Crescita Common Shares will be issued under the Crescita Purchase Plan at the weighted average price of the Crescita Common Shares on the TSX for the calendar quarter in respect of which such Crescita Common Shares are being issued. If a participant ceases to be employed by, or provide services to, Crescita or its affiliates, any portion of the participant's contribution that has not been used to acquire Crescita Common Shares shall be paid to the participant, any portion of Crescita's contribution that has not been used to acquire Crescita Common Shares shall be paid to Crescita and any Crescita Common Shares held by Crescita for the benefit of the participant shall be released to the participant in accordance with the terms of the Crescita Purchase Plan.

Certain Options Outstanding

Currently, there are no Crescita Options outstanding. Based on the number of outstanding Nuvo Options as of December 31, 2015, the following table sets forth the Crescita Arrangement Options to be granted by Crescita pursuant to the Arrangement.

Optionee Group	Number of Common Shares Under Option[(1)]	Range of Expiry Dates
Executive Officers[(2)]	599,506	May 23, 2017 to May 6, 2024
Directors who are not also Executive Officers[(3)]	40,155	June 26, 2016 to August 16, 2021
Other Employees and Former Employees[(4)]	110,360	June 26, 2016 to December 20, 2023

(1) The exercise price of a Crescita Arrangement Option will be determined by allocating the original exercise price of the Nuvo Option for which it was exchanged as described above under "*Issuance of Crescita Arrangement Options Pursuant to the* Arrangement."

(2) Includes all 5 proposed executive officers of Crescita as a group who will receive Crescita Arrangement Options in partial exchange for their Nuvo Options pursuant to the Arrangement.

(3) Includes all 4 proposed directors of Crescita as a group who are not also proposed executive officers and who will receive Crescita Arrangement Options in partial exchange for their Nuvo Options pursuant to the Arrangement.

(4) Includes other proposed employees of Crescita as a group who will receive Crescita Arrangement Options in partial exchange for their Nuvo Options pursuant to the Arrangement.

CRESCITA SARS PLAN AND ISSUANCE OF CRESCITA ARRANGEMENT SARS PURSUANT TO THE ARRANGEMENT

Pursuant to the Arrangement, outstanding Nuvo SARs will be exchanged for Post-Arrangement Nuvo SARs and Crescita Arrangement SARs. For a discussion of the treatment of outstanding Nuvo SARs under the Arrangement, the Crescita Arrangement SARs issued in exchange for such outstanding Nuvo SARs and the terms of the Crescita SARs Plan, see "*The Arrangement—Treatment of Outstanding Nuvo SARs*" in the Management Information Circular.

PRINCIPAL SECURITYHOLDERS

There are no Crescita Common Shares or Crescita Preferred Shares outstanding. To the knowledge of Crescita's directors and senior officers, assuming that there are no Dissenting Shareholders, there is no person or company that will, immediately following completion of the Arrangement, beneficially own or will own, directly or indirectly, or exercise control or direction over, Crescita Common Shares carrying more than 10% of the voting rights attached to the Crescita Common Shares.

DIRECTORS AND EXECUTIVE OFFICERS

Crescita's articles will provide that the Crescita Board will consist of a minimum of three and a maximum of twelve directors. In order to facilitate the incorporation of Holdco and Crescita, and handle certain organizational and other transitional matters prior to

the Arrangement, one officer of Nuvo has been appointed to their respective Board of Directors on an interim basis and will be replaced upon completion of the Arrangement. This section sets out certain information for each person who is expected to serve as a director or executive officer of Crescita upon completion of the Arrangement. The following table sets out, for each such director and executive officer, their name, municipality of residence, expected position with Crescita and present principal occupation. Each of the proposed directors and executive officers of Crescita has been engaged for more than five years in his or her present principal occupation or in other capacities with Nuvo in which he or she currently holds his principal occupation. The table also identifies the number of Crescita Common Shares, Crescita Arrangement Options and Crescita Arrangement SARs that will be beneficially owned by each individual immediately following completion of the Arrangement based on the number of Nuvo Common Shares, Nuvo Options, Nuvo DSUs and Nuvo SARs held by them as of December 31, 2015.

Each of the proposed directors of Crescita is currently a director of Nuvo and, except for Daniel Chicoine, David Copeland, Anthony Dobranowski and John London, will resign as a director of Nuvo in connection with becoming a director of Crescita. All of the proposed executive officers are currently employed by Nuvo. Each of the directors set forth below will be formally appointed to the Crescita Board pursuant to the Arrangement and will hold office until the next annual meeting of Crescita Shareholders or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated. By approving the Arrangement Resolution, Shareholders will be deemed to have voted for the election of these proposed directors. Additional directors may be appointed by the Crescita Board after completion of the Arrangement and prior or subsequent to the first annual meeting of Crescita Shareholders in accordance with the articles of Crescita.

It is expected that the Crescita Board will adopt a majority voting policy in director elections that will apply at any meeting of Crescita Shareholders where an "uncontested election" of directors is held. Pursuant to this policy, if the number of proxy votes withheld for a particular director nominee is greater than the votes for such director, the director nominee will be required to submit his or her resignation to the Crescita Board. Following the receipt of a director's resignation, the Crescita CCGN Committee will consider whether or not to accept the offer of resignation. With the exception of special circumstances, the Crescita CCGN Committee will be expected to recommend that the Crescita Board accept the resignation. Within 90 days following Crescita's meeting of shareholders, the Crescita Board will make its decision and disclose it by a press release, such press release to include the reasons for rejecting the resignation, if applicable. A director who tenders his or her resignation pursuant to this majority voting policy will not be permitted to participate in any meeting of the Crescita Board or the Crescita CCGN Committee at which the resignation is considered. The Crescita Board is also expected to adopt an individual director voting policy. Under this policy, Crescita Shareholders will be asked to vote for each individual director rather than a slate of directors.

Name and Residence	**Position(s) with Crescita[(1)]**	**Present Principal Occupation(s)**	***Pro Forma* Holdings of Crescita Common Shares[(1)(6)]**	***Pro Forma* Holdings of Crescita Arrangement Options[(1)]**
Daniel Chicoine[(2)] Ontario, Canada	Chairman and Chief Executive Officer	Chairman and Co-Chief Executive Officer of Nuvo	245,825	182,792
David A. Copeland[(3)(5)] Ontario, Canada	Director	Private Investor and Business Consultant	58,342	10,309
Anthony E. Dobranowski[(4)] Ontario, Canada	Director	Private Business Consultant	47,509	10,309
Dr. Henrich R.K. Guntermann Aachen, Germany	President, Europe and Immunology Group and Director	President, Europe and Immunology Group of Nuvo	25,546	121,860
Dr. Klaus von Lindeiner Munich, Germany	Director	Private Business Consultant	35,599	10,309
John C. London[(5)] Ontario, Canada	Director (Vice Chairman)	President and Co-Chief Executive Officer of Nuvo	165,827	182,792
Dr. Theodore H. Stanley Utah, United States	Director	Professor, University of Utah and Private Investor	129,646	9,228

Name and Residence	Position(s) with Crescita[1]	Present Principal Occupation(s)	*Pro Forma* Holdings of Crescita Common Shares[1][6]	*Pro Forma* Holdings of Crescita Arrangement Options[1]
Stephen L. Lemieux Ontario, Canada	Vice President and Chief Financial Officer	Vice President and Chief Financial Officer of Nuvo	32,382	61,637
Katina K. Loucaides Ontario, Canada	Vice President, Secretary and General Counsel	Vice President, Secretary and General Counsel of Nuvo	27,608	50,425

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(1) Assumes the Arrangement has become effective.

(2) Daniel Chicoine was a director of NRI Industries Inc. ("**NRI**"), a company primarily involved in the manufacture of rubber and plastic components for automotive and industrial applications, until August 23, 2006, when he resigned. This company filed for protection pursuant to the Companies' Creditors Arrangement Act ("**CCAA**") on September 5, 2006. On April 27, 2007, subsequent to the sale of substantially all of the assets of NRI, the CCAA proceedings were terminated and NRI filed its assignment into bankruptcy and in July 2008 the government cancelled NRI for cause.

(3) David Copeland was Chairman of the Board of Triton Electronik, a group of Canadian companies primarily involved in electronic contract design and manufacturing service, until January 2009, when he resigned. This group of companies filed for protection pursuant to the CCAA on January 28, 2009.

(4) Anthony Dobranowski was elected to the board of Heating Oil Partners Income Fund on March 21, 2005. Subsequent to certain of its subsidiaries filing for creditor protection in the United States and Canada, the units of the fund were delisted from the TSX on November 7, 2005. In March 2006, the OSC issued an issuer cease trade order in respect of the units of the fund and it remains in default with the OSC. The debtors' joint plan of reorganization was approved by the United States bankruptcy court on June 26, 2006 and Heating Oil Partners Income Fund relinquished all equity interests in the reorganized subsidiaries under the approved plan of reorganization.

(5) John London and David Copeland were directors of MTB Industries Inc. ("**MTB**") until May 1, 2009 when they both resigned. MTB filed for court appointed receivership on May 5, 2009.

(6) Includes estimated number of Crescita Common Shares issuable upon settlement of the Crescita Arrangement SARs, assuming that the SAR/DSU Resolution is approved and based on the closing price of the Nuvo Common Shares on the TSX on December 31, 2015.

Shareholdings of Directors and Executive Officers

Upon completion of the Arrangement, based on the number of Nuvo Common Shares, Nuvo DSUs, Nuvo Options and Nuvo SARs held by them as of December 31, 2015 and assuming that the SAR/DSU Resolution is approved at the Meeting, the directors and executive officers of Crescita, as a group, are expected to beneficially own, directly or indirectly: (a) 696,102 Crescita Common Shares, representing approximately 6.1% of the issued and outstanding Crescita Common Shares; (b) hold Crescita Arrangement Options to acquire an additional 639,661 Crescita Common Shares, representing approximately 5.6% of the Crescita Common Shares on a fully-diluted basis; and (c) hold Crescita Arrangement SARs to acquire an additional 72,181 Crescita Common Shares based on the closing price of the Nuvo Common Shares on the TSX on December 31, 2015 if the SAR/DSU Resolution is approved.

Biographies of Directors and Executive Officers

Directors

Daniel Chicoine

Mr. Chicoine has served as Nuvo's Chairman and Co-Chief Executive Officer and has been actively involved in its day-to-day operations since 2004. Currently, he oversees the business development and strategic planning functions at Nuvo. From 2001-2004, Mr. Chicoine served as the Chief Financial Officer at Cosma International, Magna's body and chassis systems group. Mr. Chicoine served as the President of PowerCart Systems Inc., a Markham-based private company that designs and manufactures battery-equipped workstations that power devices with wireless communication capability.

In 1997, Mr. Chicoine co-founded Nighthawk Investments, a private venture capital investment firm. In May 1994, Mr. Chicoine formed Triam Automotive Inc., an automotive parts supplier, with other former executives of Magna and, in July 1994, was instrumental in assisting the company complete its initial public offering. While at Triam, he served as Vice Chairman in charge of sales. From 1982 to 1993, Mr. Chicoine held various positions at the Magna group of companies, including President and Chief Executive Officer of Atoma International Inc. While Mr. Chicoine was the Chief Executive Officer of Atoma, he succeeded in growing its business from $300 million per annum to $1 billion and effected a major restructuring.

Mr. Chicoine is a graduate of the University of Toronto in commerce and is a Chartered Professional Accountant.

David A. Copeland

Private Investor. Mr. Copeland was the former President and Chief Operating Officer, Triam Automotive Inc., an automobile parts supplier. Prior to Triam, Mr. Copeland was Chief Financial Officer of Magna International Inc. and Chief Executive Officer of the Cosma Group of Magna. Mr. Copeland has been an advisor, investor and director in a number of private early stage companies since 1998. He is a Chartered Professional Accountant whose background includes a focus on business valuation and mergers and acquisitions.

Anthony E. Dobranowski

Private Business Consultant. Mr. Dobranowski retired from Magna International Inc., a global automotive parts supplier, in 2007. During his employment with Magna, Mr. Dobranowski was most recently a Vice President of Magna, and prior to that held various executive positions (Vice Chairman, President and CFO) at Tesma International Inc., a publicly traded Magna subsidiary. He was instrumental in the initial public offering of Tesma in 1995, and was involved in all aspects of Tesma's growth, with particular emphasis on financing, investor relations and M&A activity. Previous to that, Mr. Dobranowski held various senior management positions with other Magna companies. Mr. Dobranowski holds an MBA from the University of Toronto and is also a Chartered Professional Accountant.

Dr. Henrich R. K. Guntermann

Dr. Guntermann has more than 15 years of experience in the life sciences sector (including business development, restructuring and corporate financing). In his current role at Nuvo, Dr. Guntermann oversees the European operations and the Immunology Group. He previously held the position of President & Chief Executive Officer of Nuvo from 2004 to 2009.

Prior to joining Nuvo, Dr. Guntermann, along with a group of distinguished life sciences entrepreneurs, founded BioAlliance AG, a German-based life sciences private equity and consulting firm. BioAlliance AG was formed to capitalize on the early stage development of the life sciences industry in the European Union, by assisting life sciences companies find synergies and partnerships worldwide. Through its established international network, it brings together life sciences companies in the United States, Asia and Europe to foster growth through alliances. In addition, BioAlliance consults for international life sciences companies in many fields (pharmaceutical, medical devices, diagnostics and agro- biotech) at varying stages of development, from large corporations to start-ups in the life sciences sector and public institutions, such as city and state governments, the European Commission and the United Nations Industry Development Organization.

Dr. Guntermann received his medical doctorate at the Philipps-University in Marburg, Germany. He also received a Masters of Science in Biology, with specialization in pharmacology/toxicology and human genetics.

John C. London

Mr. London has over 30 years of experience managing a wide variety of public and private businesses. As Nuvo's President and Co-Chief Executive Officer, he oversees the investor relations and legal departments and is actively involved in setting Nuvo's strategic direction. Prior to joining Nuvo, from 2002 to 2005, Mr. London was President and Chief Executive Officer of Powercart Systems Inc., a Canadian-based private company that designs and manufactures battery-equipped workstations that power devices with wireless communication capability.

In 1997, Mr. London co-founded Nighthawk Investments, a private venture capital investment firm. In 1994, Mr. London co-founded Triam Automotive Inc., an international automotive parts manufacturer, where he served as Executive Vice-President. Triam completed its initial public offering in 1994 and was sold to Magna International Inc. in 1998. In 1988, Mr. London joined Magna, one of the world's largest automotive parts manufacturers. From 1988 to 1993, he was Executive Vice-President, Secretary and General Counsel at Atoma International, Magna's interior systems group. Prior to joining Magna, Mr. London was an associate and then partner with the Toronto law firm of Strathy, Archibald and Seagram (now Gowlings) where from 1981 to 1988 he practiced banking, insolvency and music law.

Mr. London is a graduate of the University of Western Ontario law school and holds a Masters of Law Degree from University College London.

Dr. Klaus von Lindeiner

Private Business Consultant. Prior to his retirement in 2000, Mr. von Lindeiner served as a senior executive for various European multinationals, including Wacker-Chemie GmbH, Lurgi GmbH and Metallgesellschaft AG. Previously, Mr. von Lindeiner worked as a legal advisor to the United Nations, Office of the High Commissioner for Refugees, as well as in the Organizational Committee for the 1972 Munich Olympic Games. He has served as a member of the regional advisory boards of Deutsche Bank AG, Allianz Insurance AG, and Dresdner Bank AG. He has also served on the Advisory Board of Golding Capital Partners, as a director on the

boards of GEFIU, Power Paper Ltd and OXO Chemie AG and the Chairman of the Audit Committee of the Bayerische Landesbank. Mr. von Lindeiner has a professional legal background with a doctorate in international law from the University of Geneva/Switzerland.

Dr. Theodore H. Stanley

Professor of Anesthesiology at the University of Utah for over 40 years. He co-founded ZARS Pharma Inc. and served as the Chairman since inception. Dr. Stanley was awarded the University of Utah's Distinguished Innovation and Impact Award in 2011 and the Utah Governor's Medal for Science & Technology in 2013. Dr. Stanley is a Founder and Managing Director of Upstart Ventures, a seed life science venture fund located on the campus of the University of Utah in Salt Lake City. In 1985, he co-founded Anesta, a drug delivery company that developed two FDA-approved products: Oralet and Actiq. Anesta was acquired by Cephalon, Inc. in 2000. He is internationally known for his developmental work on opioids, other intravenous anesthetics and novel drug delivery techniques. Dr. Stanley is also an executive officer of the National Academy of Perioperative Echocardiography, NeuroAdjuvants, Inc. and the Stanley Research Foundation. Dr. Stanley received an A.B. in 1961 from Columbia College and his medical degree from the Columbia University Medical School.

Executive Officers

Stephen L. Lemieux

Mr. Lemieux has over 12 years of public company experience. In his role at Nuvo, Mr. Lemieux oversees all of Nuvo's financial operations and is responsible for information technology, manufacturing, human resources and planning. Prior to joining Nuvo in 2007, Mr. Lemieux was the Corporate Controller at Martinrea International Inc., a publicly traded company listed on the TSX. Mr. Lemieux was responsible for financial reporting and the financial integration of an acquisition that increased revenues from $872 million to $2.0 billion.

Prior to joining Martinrea, Mr. Lemieux was the Assistant Controller at Magna Powertrain (formerly Tesma International Inc.) ("**Tesma**") and had previously held the position of Manager, Global Financial Reporting. Tesma was a public company listed on the TSX and NASDAQ, until it completed a "going private" transaction with Magna International Inc. in 2005. Prior to joining Tesma, Mr. Lemieux worked for Ernst & Young LLP performing audit, restructuring and accounting work for its clients.

Mr. Lemieux is a Chartered Professional Accountant and holds a Master of Management & Professional Accounting from the University of Toronto.

Katina K. Loucaides

Ms. Loucaides has over 11 years of legal experience in the biotechnology and pharmaceuticals area. In her role at Nuvo, she is responsible for a wide range of legal and regulatory areas, including intellectual property, licensing, acquisitions, litigation, regulatory law and compliance. She joined Nuvo in 2008 as the company's Intellectual Property counsel. Prior to joining Nuvo, Ms. Loucaides was an associate lawyer with Bereskin & Parr in Toronto. As a member of the firm's biotechnology and pharmaceutical practice group, she advised clients on patents, licensing and litigation matters.

Ms. Loucaides is a graduate of Osgoode Hall Law School and holds a Bachelor degree and a Master of Science degree from the University of Toronto specializing in immunology. Her Master's thesis focused on a co-stimulatory molecule involved in T cell activation. She was awarded a Canada Scholarship for Science and Technology and a scholarship from the Medical Research Counsel. She is a registered Patent Agent in Canada and the United States.

Cease Trade Orders

Except as otherwise disclosed in this Appendix, no proposed director or executive officer of Crescita is, or was within the last 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company that (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (a "**cease trade order**") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer or (b) was subject to a cease trade order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

Except as otherwise disclosed in this Appendix, no proposed director or executive officer of Crescita, and no shareholder who is expected, after completion of the Arrangement, to hold a sufficient number of securities of Crescita to materially affect control of

Crescita, (a) is, or was within the last 10 years before the date hereof, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties and Sanctions

Except as otherwise disclosed in this Appendix, no proposed director or executive officer of Crescita, and no shareholder who is expected, after completion of the Arrangement, to hold a sufficient number of securities of Crescita to materially affect control of Crescita, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain directors and officers of Crescita or its subsidiaries are, and may continue to be, directors, officers or shareholders of other companies whose operations may, from time to time, be in direct competition with those of Crescita or with entities which may, from time to time, provide financing to, or make equity investments in competitors of the Crescita. In accordance with the OBCA, such directors and officers will be required to disclose all conflicts of interest as such conflicts arise. If a conflict of interest arises at a meeting of the Crescita Board, any director in a conflict will disclose his or her interest and abstain from voting on such matter.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

To date, Crescita has not carried on any active business. Accordingly, no compensation has been paid by Crescita to its proposed executive officers or directors and none will be paid by Crescita until after the Arrangement is completed. Except as described below, immediately following completion of the Arrangement, it is anticipated that Crescita will provide its executive officers with compensation that is substantially the same in the aggregate as the compensation that such individuals currently receive from Nuvo.

Following completion of the Arrangement, Mr. Stephen Lemieux will continue to be employed as the Chief Financial Officer of Nuvo in accordance with the existing terms of his employment arrangements. Pursuant to an agreement to be entered into between Crescita and Nuvo, Nuvo will make Mr. Lemieux's services available to Crescita to act as Crescita's Chief Financial Officer. Crescita will reimburse Nuvo for a portion of Mr. Lemieux's aggregate compensation based on the proportion of Mr. Lemieux's time that is dedicated to services provided to Crescita. The aggregate compensation to be received by Mr. Lemieux from Nuvo and Crescita following completion of the Arrangement is expected to be equal to the compensation that he is entitled to receive from Nuvo immediately prior to the completion of the Arrangement.

As at the date of this Information Circular, there are no employment contracts in place between Crescita and any of the executive officers of Crescita and there are no provisions with Crescita for compensation for the executive officers of Crescita in the event of termination of employment or a change in responsibilities following a change of control of Crescita.

Crescita has not established an annual retainer fee or attendance fee for directors. However, Crescita may establish directors' fees in the future and will reimburse directors for all reasonable expenses incurred in order to attend meetings.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No expected executive officer, director, or employee of Crescita is now, or has been, indebted to Crescita.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

Charter of the Audit Committee

The proposed Charter of the Audit Committee, setting out the mandate and responsibilities of the Audit Committee, that is compliant with applicable legal and regulatory requirements, is included in Schedule "C" to this Appendix and is substantially the same as the current Charter of the Audit Committee of the Nuvo Board of Directors. It is expected that the Crescita Board will adopt the proposed Charter on or prior to the Arrangement Date.

Composition of the Audit Committee

On the Arrangement Date, the Audit Committee is expected to consist of three members, David Copeland, Anthony Dobranowski and Dr. Klaus von Lindeiner. Each proposed member will be independent and financially literate as defined in National Instrument 52-110 — Audit Committees.

Relevant Education and Experience of Audit Committee Members

In addition to each member's general business experience, the education and experience relevant to the performance of Audit Committee responsibilities are set forth below.

David A Copeland

Mr. Copeland is a Chartered Professional Accountant and a Chartered Accountant. He holds a Bachelor of Mathematics degree and has been the Chief Financial Officer of a major public Canadian company.

Anthony E. Dobranowski

Mr. Dobranowski is a Chartered Professional Accountant and a Chartered Accountant. He holds a Bachelor of Science Degree, a Masters of Business Administration Degree and has been the Chief Financial Officer and President of a major Canadian public company.

Dr. Klaus von Lindeiner

Dr. von Lindeiner holds a law degree from the University of Geneva and has been the Chief Financial Officer of two multinational European-based companies and was the Chairman of the Audit Committee for Bayerische Landesbank in Munich, Germany until September 30, 2014.

External Audit Service Fees

All audit and non-audit services to be provided by Crescita's external auditor will be required to be pre-approved by the Audit Committee. As at the date hereof, no external auditor service fees have been paid by Crescita. It is expected that on an annual basis, Crescita's Audit Committee will pre-approve a budget for certain specific non-audit services such as assistance with tax returns.

Corporate Governance

Overview

Unless otherwise indicated, the following disclosure is based on the present expectations of Crescita in respect of its corporate governance practices and the assumption that the formal establishment of committees of the Crescita Board described below and the ratification and adoption of their respective mandates (without any material modifications) will occur following completion of the Arrangement. However, such disclosure remains subject to revision prior or subsequent to the Arrangement Date.

Statement of Corporate Governance Practices

The following represents the disclosure required by Form 58-101F1 Corporate Governance Disclosure ("**Form 58-101**"), as applicable to Crescita. Because Crescita has not yet completed a financial year, certain items contained in Form 58-101 are not applicable to Crescita, and as such, certain disclosure required by that form is not available.

Crescita's Corporate Governance Guidelines (including the Crescita Board Charter) are set out in Schedule "D" to this Appendix.

Board of Directors

(a) *Disclosure of the identity of directors who are independent.*

Within the meaning of *National Instrument* 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), four of the seven proposed directors of Crescita meet all requisite independence requirements. The four proposed directors of Crescita considered "independent" are: David Copeland, private investor and business consultant; Anthony Dobranowski, private business consultant; Dr. Klaus von Lindeiner, private business consultant; and Dr. Theodore H. Stanley, Professor at the University of Utah.

(b) *Disclosure of the identity of directors who are not independent, and the basis for that determination.*

Within the meaning of NI 58-101, three of the seven proposed directors of Crescita are not independent. The three non-independent nominated directors are: Daniel Chicoine, Chairman and Chief Executive Officer of Crescita; John London, President and Chief Executive Officer of Nuvo; and Dr. Henrich Guntermann, President, Immunology Group of Crescita.

(c) *Disclosure of whether or not a majority of directors are independent.*

A majority of Crescita's seven proposed directors are independent; their sole relationship with Crescita is as a member of the Crescita Board and in some cases, as shareholders.

(d) *Identification of any director who is presently a director of any other reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction*.

The following proposed directors of Crescita are also directors of reporting issuers (or the equivalent) in the jurisdictions set out below:

Name	**Company**	**Jurisdiction**
Anthony Dobranowski	Heating Oil Partners Income Fund	Ontario

(e) *Disclosure of whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.*

To ensure free and open discussion and communication among directors, Crescita's independent directors are expected to meet in executive session (with no members of senior management or non-independent directors present) after every regularly scheduled meeting of the Crescita Board and otherwise as those directors determine. The lead director will preside at these executive sessions, unless the directors present at such meetings determine otherwise. Further, the Crescita CCGN Committee and the Crescita Audit Committee will be comprised of independent directors and hold meetings with no members of senior management or non-independent directors present, unless the directors present at such meetings determine otherwise.

(f) *Disclosure of whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, identify the independent chair or lead director, and describe his or her role and responsibilities.*

The anticipated chair of the Crescita Board, Daniel Chicoine, will not be an independent director. It is expected that the Crescita Board will appoint Anthony Dobranowski, an independent director, as the lead director. The lead director's role will be to ensure that the Crescita Board functions independently of management and that directors have an independent leadership contact. The lead director's responsibilities will include acting as an independent liaison between the Crescita Board and senior management and ensuring that independent directors have adequate opportunities to discuss issues without management present.

Mandate of the Board

In fulfilling its statutory mandate and discharging its duty of stewardship of Crescita, the Crescita Board will assume responsibility for those matters set forth in its Charter (which also is its mandate). The full text of the proposed Board Charter is set out in Schedule 1 to the Corporate Governance Guidelines attached as Schedule "D" to this Appendix.

Position Descriptions

(a) *Disclosure of whether or not the board has developed written position descriptions for the chair and the chairs of each board committee. If the board has not developed such written position descriptions, disclosure of how the board delineates the role and responsibilities of each such position.*

The Crescita Board is expected to adopt written position descriptions for the chair of the Crescita Board, the lead director of the Crescita Board and the chairs of the Crescita CCGN Committee and the Crescita Audit Committee. The position descriptions are set out in Schedules 2, 3, 5 and 6, respectively, of the Corporate Governance Guidelines attached as Schedule "D" to this Appendix.

(b) *Disclosure of whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, describe how the board delineates the role and responsibilities of the CEO.*

The Crescita Board is expected to adopt a written position description for the CEO. Day-to-day executive management of Crescita will be managed by an executive management committee (the "**Executive Management Committee**") consisting of the chairman and chief executive officer, and the vice president and chief financial officer. All managers will report to and will be supervised by one of the members of the Executive Management Committee. Major decisions respecting the day-to-day operations of Crescita will be made by the Executive Management Committee. The Executive Management Committee will review the progress of the projects within Crescita to ensure that the strategic plans approved by the Crescita Board are executed and implemented in a timely and effective manner. In addition to frequent informal communications, the Executive Management Committee members are expected to frequently meet on a formal basis to discuss and review matters affecting Crescita.

Orientation and Continuing Education

(a) *Description of what measures the board takes to orient new directors regarding:*

(i) *the role of the board, its committees and its directors*

(ii) *the nature and operation of Crescita's business*

Senior management of Crescita, working with the Crescita Board, will provide appropriate orientation and education for new directors to familiarize them with Crescita and its business, as well as the expected contribution of individual directors. All new directors will participate in this program orientation and education, which should be completed within four months of a director first joining the Crescita Board.

The Crescita CCGN Committee will, when necessary or appropriate, and to the extent not otherwise being considered and addressed by the Crescita Board, in co-operation with Crescita's senior management, oversee an appropriate orientation and education for any new directors in order to familiarize them with Crescita and its business.

(b) *Description of what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, description of how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.*

It is expected that senior management of Crescita will schedule periodic presentations for the Crescita Board to ensure they are aware of major business trends and industry practices as and when required. In addition, materials provided to the directors for meetings of the Crescita Board will provide the information needed for the directors to make informed judgments or engage in informed discussions. The chair of the Crescita Board and the lead director of the Crescita Board will be responsible for ensuring the adequacy of such materials and that directors have sufficient time to review such materials.

Ethical Business Conduct

(a) *Disclosure of whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:*

(i) *disclosure of how a person or company may obtain a copy of the code*

(ii) *description of how the board monitors compliance with its code, or if the board does not monitor compliance, whether and how the board satisfies itself regarding compliance with its code*

(iii) *provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code*

Crescita is expected to adopt a Code of Business Conduct and Ethics (the "Code") applicable to Crescita's directors, officers and employees. The purpose of the Code will be to promote:

- honest and ethical conduct;
- avoidance of conflicts of interest;
- full, fair, accurate, timely and understandable disclosure;
- compliance with applicable governmental laws, rules and regulations; and

- the prompt internal reporting to an appropriate person of violation of the Code.

All of Crescita's employees, officers and directors will be provided with a copy of the proposed Code and will be required to sign an acknowledgement that they have read and agree to comply with the terms of the proposed Code. A copy of the proposed Code is set out in Schedule 7 of the Corporate Governance Guidelines attached as Schedule "D" to this Appendix.

It will be the responsibility of the Crescita CCGN Committee to review senior management's monitoring of compliance with the Code.

(b) *Description of any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.*

Under the OBCA, to which Crescita will be subject, a general notice to the directors is generally required to be sent by a director or officer disclosing that he or she is a director or officer of or has a material interest in a person. It will be the policy of Crescita that an interested director or officer excuse himself or herself from the decision-making process (including discussions relating to the contract or transaction) pertaining to a contract or transaction in which he or she has an interest, other than in the case of certain permitted matters, such as matters related to his or her compensation as a director, permitted under the OBCA.

Three of the seven proposed directors of Crescita (Dr. Klaus von Lindeiner, Dr. Henrich Guntermann and Dr. Theodore H. Stanley) will not be directors or officers of Nuvo, and will not otherwise have any material interest in Nuvo following the completion of the Arrangement. It is expected that, in accordance with the requirements of the OBCA, proposed material contracts and transactions (if any) between Crescita and Nuvo will be approved by a majority of these directors.

(c) *Description of any other steps the board takes to encourage and promote a culture of ethical business conduct.*

It is expected that the Crescita Board will encourage management to hold meetings with all of Crescita's employees during which senior management will provide updates on the state of Crescita's business. It is expected that, where appropriate, those meetings would also be used to remind employees of their responsibility under corporate policies, including the Code.

Nomination of Directors

(a) *Description of the process by which the board identifies new candidates for board nomination.*

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

The Crescita CCGN Committee will develop criteria for selecting new directors, assist the Crescita Board by identifying individuals qualified to become members of the Crescita Board (consistent with criteria approved by the Crescita Board) and develop a list of director nominees for the annual meeting of shareholders and for each committee of the Crescita Board and the chair of each committee. In doing so, the Crescita CCGN Committee will periodically review the competencies, skills and personal qualities required of directors to add value to Crescita in light of the opportunities and risks facing Crescita and Crescita's proposed strategies, the need to ensure that a majority of the Crescita Board is comprised of individuals who meet the independence requirements of applicable legislation and stock exchange requirements, and the policies of the Crescita Board with respect to director tenure, retirement and succession and director commitments.

(b) *Disclosure of whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed of entirely independent directors, description of the steps the board takes to encourage an objective nomination process.*

The Crescita CCGN Committee will be comprised entirely of independent directors. The members of the Committee will be: Anthony Dobranowski, Dr. Theodore Stanley, and Dr. Klaus von Lindeiner.

(c) *If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.*

The Crescita CCGN Committee Charter will establish the purpose, composition, responsibilities, and operation of the Crescita CCGN Committee. The proposed Crescita CCGN Committee Charter is set out in Schedule 4 to the Corporate Governance Guidelines attached as Schedule "D" to this Appendix.

Compensation

(a) *Description of the process by which the board determines the compensation for Crescita's directors and officers.*

The form and amount of director compensation will be determined by the Crescita Board from time to time upon the recommendation of the Crescita CCGN Committee. In addition, the Crescita Board will assess the performance of Crescita's senior management and periodically monitor the compensation levels of such senior management based on determinations and recommendations made by the Crescita CCGN Committee.

The Crescita CCGN Committee will develop a compensation structure for the Crescita Board and senior management that is expected to include salaries, annual and long-term incentive plans (including Crescita Options). The Crescita CCGN Committee will review the compensation and performance of senior management at least annually, with a view to maintaining a compensation program for senior management at a fair and competitive level, consistent with the best interests of Crescita, and periodically review the compensation of directors to, among other things, ensure their compensation appropriately reflects the responsibilities they are assuming.

In discharging its mandate, the Crescita CCGN Committee will have the authority to retain and receive advice from outside advisors.

(b) *Disclosure of whether or not the board has a compensation committee composed entirely of independent directors.*

The Crescita CCGN Committee will be comprised entirely of independent directors. The members of the committee will be: Anthony Dobranowski, Dr. Theodore Stanley and Dr. Klaus von Lindeiner.

(c) *If the board has a compensation committee, description of the responsibilities, powers and operation of the compensation committee.*

The Crescita CCGN Committee Charter establishes the purpose, composition, responsibilities, and operation of the Crescita CCGN Committee. The proposed Crescita CCGN Committee Charter is set out in Schedule 4 to the Corporate Governance Guidelines attached as Schedule "D" to this Appendix.

Other Board Committees

(a) *If the board has standing committees other than the audit, compensation and nominating committees, identification of the committees and description of their function.*

In addition to its function with respect to compensation and nomination matters, the Crescita CCGN Committee is intended to develop appropriate corporate governance principles for Crescita and undertake other initiatives to enable the Crescita Board to provide effective corporate governance. Its responsibilities will include periodically reviewing the adequacy of Crescita's Corporate Governance Guidelines, the practices of the Crescita Board to ensure compliance with Crescita's Corporate Governance Guidelines, the relationship between senior management and the Crescita Board with a view to ensuring that the Crescita Board is able to function independently of senior management and making recommendations to the Crescita Board with respect to such matters. The proposed Crescita CCGN Committee Charter is set out in Schedule 4 to the Corporate Governance Guidelines attached as Schedule "D" to this Appendix.

Assessment

(a) *Disclosure of whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.*

It is expected that the Crescita CCGN Committee will oversee periodic reviews of the Crescita Board's, the Crescita Audit Committee's and individual directors' performance.

Director Term Limited and Other Mechanisms of Board Renewal

(a) *Disclosure of whether or not Crescita has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If Crescita has not adopted director term limits or other mechanisms of board renewal, disclosure of why it has not done so.*

Following the Arrangement, each director will serve on the Crescita Board until the next annual meeting of shareholders of Crescita or until a successor is duly elected or appointed. Following completion of the Arrangement, it is expected that the Crescita Board will evaluate whether to adopt term limits for the directors or other mechanisms of board renewal.

Consideration of the Representation of Women in the Director Identification and Selection Process and in Executive Officer Appointments; the Crescita's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions; and Number of Women on the Board and in Executive Officer Positions

(a) *Disclosure of whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If Crescita does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclosure of Crescita's reasons for not doing so.*

(b) *Disclosure of whether and, if so, how Crescita considers the level of representation of women in executive officer positions when making executive officer appointments. If Crescita does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclosure of Crescita's reasons for not doing so.*

(c) *Disclosure of whether Crescita has adopted a target regarding women on Crescita's board. If the Crescita has not adopted a target, disclosure of why it has not done so.*

(d) *Disclosure of whether Crescita has adopted a target regarding women in executive officer positions of Crescita. If Crescita has not adopted a target, disclosure of why it has not done so.*

(e) *Disclosure of the number and proportion (in percentage terms) of directors on Crescita's board who are women.*

(f) *Disclosure of the number and proportion (in percentage terms) of executive officers of Crescita, including all major subsidiaries of Crescita, who are women.*

None of the proposed directors of Crescita are female. Of the four proposed executive officers of Crescita, one is female (representing 25% of the current executive officers). It is expected that following the Arrangement, the Crescita Board will consider whether to establish a policy or targets regarding the representation of women on the Crescita Board or senior management.

STOCK EXCHANGE LISTING

Crescita has made application to list the Crescita Common Shares on the TSX. The TSX has conditionally approved the listing of the Crescita Common Shares on the TSX, subject to Crescita fulfilling all of the requirements of the TSX, and has reserved the ticker symbol "CTX" for these shares. This listing is a condition to closing of the Arrangement and is subject to Crescita fulfilling all of the applicable requirements of the TSX.

RISK FACTORS

Below are certain risk factors relating to Crescita that Shareholders should carefully consider in connection with the Arrangement. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Appendix and the Management Information Circular. Additional risk factors relating to the Arrangement are set out in the Management Information Circular under the heading "Risk Factors".

Risks relating to Our Business and Industry

Need for Additional Financing

Crescita is expected to initially have an estimated $35 million in cash upon completion of the Arrangement (assuming the SAR/DSU Resolution is approved at the Meeting). It is currently expected that this cash will be sufficient to fund Crescita's operations as currently planned for the next 24 months. Unexpected increases in Crescita's costs and expenses due to operational decisions by Crescita and/or factors beyond Crescita's control could cause its cash resources to be depleted sooner than expected. In either case, once its initial cash resources have been utilized, Crescita will have an ongoing need for substantial additional capital resources to research, develop, commercialize and manufacture its products and technologies as Crescita will not generate enough cash to funds its operations. Crescita will have limited participation in revenues from the commercial products that Crescita outlicenses and these revenues are not expected to be sufficient to cover the costs of operating the business. Crescita will earn revenue from product sales of WF10 and Oxoferin, and will be dependent on its partners to sell these products in their respective licensed territories. Crescita will also earn revenue from royalties on the global net sales of Pliaglis.

Companies in the pharmaceutical R&D industry typically require periodic funding in order to develop drug candidates until such time as at least one drug candidate has been successfully commercialized or until the companies are receiving sufficient revenue to fund their operations. Crescita will monitor on a regular basis its liquidity position, the status of its partners' commercialization efforts, the status of its drug development programs, including cost estimates for completing various stages of development, the scientific progress on each drug candidate and the potential to license or co-develop each drug candidate and it continues to actively pursue fundraising possibilities through various means.

There can be no assurance that Crescita will have sufficient capital to fund its ongoing operations or develop or commercialize any further products without future financings. In addition, following the Arrangement, Crescita will need to raise financing on a stand-alone basis without reference to Nuvo and may not be able to secure adequate debt or equity financing on desirable terms or at all. The credit ratings that Crescita might obtain in connection with any debt financing may be lower than the ratings of post-Arrangement Nuvo. Differences in credit ratings affect the interest rate charged on debt financings, as well as the amounts of indebtedness, types of financing structures and debt markets that may be available to Crescita following the Arrangement. There can be no assurance that additional financing will be available on acceptable terms or at all.

If adequate funds are not available, Crescita may have to substantially reduce or eliminate planned expenditures, terminate or delay clinical trials for its product candidates, curtail product development programs designed to expand the product pipeline or discontinue certain operations.

Economic Environment

Economic conditions may limit Crescita's ability to access capital or may cause Crescita's suppliers to increase their prices, reduce their output or change their terms of sale. If Crescita's customers' or suppliers' operating and financial performance deteriorates or if they are unable to make scheduled payments or obtain credit, its customers may not be able to pay or may delay payment of accounts receivable owed and its suppliers may restrict credit or impose different payment terms. Any inability of customers to pay Crescita for its products or any demands by suppliers for different payment terms, may adversely affect its earnings and cash flow.

Crescita will have no control over changes in inflation and interest rates, foreign currency exchange rates and controls or other economic factors affecting its businesses or the possibility of political unrest, legal and regulatory changes in jurisdictions in which Crescita operates. These factors could negatively affect Crescita's future results of operations in those markets.

Obtaining Government and Regulatory Approvals

The research, testing, manufacturing, packaging, labeling, approval, storage, selling, marketing and distribution of drug products are subject to extensive regulation in the U.S. by the FDA, in Canada by the TPD and by similar regulatory authorities in the E.U., Japan and elsewhere, and regulations and requirements differ from country to country. Despite the time and expense that will be exerted by Crescita, failure can occur at any stage.

The process of completing a drug development program and obtaining regulatory approval for a drug can be long and may involve significant delays despite Crescita's best efforts and can require substantial cash resources. Even after initial approval has been obtained, further research, including post-marketing studies, may be required to expand indications covered under the product approvals and labelling. Also, regulatory agencies require post-marketing surveillance programs to monitor side effects. Results of post-marketing programs may limit or expand additional marketing of the drug. Moreover, regulations are rigorous, time consuming and costly and Crescita cannot predict the extent to which it may be affected by changes in regulatory developments and its ability to meet such regulations. There is also a risk that Crescita's products may be withdrawn from the market and the required approvals suspended as a result of non-compliance with regulatory requirements.

Furthermore, there can be no assurance that the regulators will not require modification to any submissions, which may result in delays or failure to obtain regulatory approvals. Any delay or failure to obtain regulatory approvals could adversely affect Crescita's business, financial condition and operational results. Further, there can be no assurance that Crescita's products will prove to be safe and effective in clinical trials or receive the requisite regulatory approval in any market.

In addition to the regulatory product approval framework, pharmaceutical companies are subject to a number of other regulations covering occupational safety, laboratory practices, environmental protection and hazardous substance control. They may also be subject to existing and future local, provincial, state, federal and foreign regulation, including possible future regulation of the overall industry.

Failure to obtain necessary regulatory approvals, the restriction, suspension or revocation of existing approvals or any other failure to comply with regulatory requirements, could have a material adverse effect on Crescita's business, financial condition and operational results.

United States Regulation

The FDA has substantial discretion in the drug approval process. The FDA may delay, limit or deny approval of a drug candidate for many reasons including:

- a drug candidate may not be deemed safe or effective;
- the FDA may find the data from preclinical studies, CMC and clinical trials insufficient;
- the FDA may change its approval policies or adopt new regulations; or
- third-party products may enter the market and change approval requirements.

Even once drug candidates are approved, these approvals may be withdrawn if compliance with regulatory standards is not maintained or if problems occur after the product reaches the market. The FDA may require further testing and surveillance programs to monitor the pharmaceutical product that has been commercialized. Non-compliance with applicable requirements can result in fines and other judicially imposed sanctions, including product seizures, injunction actions and criminal prosecutions.

The process of receiving FDA approval has become more difficult with the requirement to submit a Risk Evaluation and Mitigation Strategy ("**REMS**") as part of the drug application for certain classes of drugs and some individual drug products. In addition, the FDA may require REMS after approving a covered application, including applications approved before the REMS program was initiated.

In addition, the FDA has the authority to regulate the claims Crescita's partners make in marketing its prescription drug products to ensure that such claims are true, not misleading, supported by scientific evidence and consistent with the product's approved labelling. Failure to comply with FDA requirements in this regard could result in, among other things, suspensions or withdrawal of approvals, product seizures and injunctions against the manufacture, holding, distribution, marketing and sale of a product, civil and criminal sanctions.

Canada Regulation

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

Additional Regulatory Considerations

There is no assurance that problems will not arise that could delay or prevent the commercialization of Crescita's products currently under development or that the TPD, FDA or other foreign regulatory agencies will be satisfied with the information submitted by Crescita, including results of clinical trials, to approve the marketing of such products. In addition to the regulatory approval process, pharmaceutical companies are subject to regulations under local, provincial, state and federal law, including requirements regarding occupational safety, laboratory practices, environmental protection and hazardous substance control and may be subject to other present and future local, provincial, state, federal and foreign regulations, including possible future regulations of the pharmaceutical industry. Crescita cannot predict the time required for regulatory approval or the extent of clinical testing and documentation that is required by regulatory authorities. Any delays in obtaining, or failure to obtain regulatory approvals in Canada, the U.S., the E.U. or other foreign countries, would significantly delay the development of Crescita's markets and the receipt of revenues from the sale of its products.

Changes in Government Regulation

The business of Crescita may be adversely affected by such factors as changes in the regulatory environment with respect to intellectual property, regulation, export controls or product marketing approvals. Such changes remain beyond Crescita's control and have an unpredictable impact.

Patents, Trademarks and Proprietary Technology

There can be no assurance as to the breadth or degree of protection that existing or future patents or patent applications may afford Crescita or that any patent applications will result in issued patents or that Crescita's patents or trademarks will be upheld if challenged. It is possible that Nuvo's existing patent or trademark rights may be deemed invalid. Although the Nuvo believes that its products do not, and will not, infringe valid patents or trademarks or violate the proprietary rights of others, it is possible that use,

sale or manufacture of its products may infringe on existing or future patents, trademarks or proprietary rights of others. If Crescita's products infringe the patents or proprietary rights of others, Crescita may be required to stop selling or making its products, may be required to modify or rename its products or may have to obtain licenses to continue using, making or selling them. There can be no assurance that Crescita will be able to do so in a timely manner, upon acceptable terms and conditions, or at all. The failure to do any of the foregoing could have a material adverse effect on Crescita. In addition, there can be no assurance that Crescita will have sufficient financial or other resources to enforce or defend a patent infringement or proprietary rights violation action. Moreover, if Crescita's products infringe patents, trademarks or proprietary rights of others, Crescita could, under certain circumstances, become liable for substantial damages which could also have a material adverse effect.

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

The laws of some countries do not protect intellectual property rights to the same extent as the laws of Canada and the U.S. and many companies have encountered significant problems in protecting and defending such rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favour the enforcement of patents, trademarks and other intellectual property protection, particularly those protections relating to biotechnology and pharmaceuticals, which could make it difficult for Crescita to stop the infringement of its patents. Proceedings to enforce patent rights in foreign jurisdictions could result in substantial cost and divert efforts and attention from other aspects of the business.

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

Ability to Protect Know How and Trade Secrets

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

Inability to Achieve Drug Development Goals within Expected Time Frames

From time-to-time, Nuvo has and Crescita will set targets and make public statements regarding its expected timing for achieving drug development goals. These include targets for the commencement and completion of preclinical and clinical trials, studies and tests and anticipated regulatory filing and approval dates. These targets are and will be set based on a number of assumptions that may prove to not be accurate. The actual timing of these forward-looking events can vary dramatically from Nuvo or Crescita's estimates, as the case may be, or they might not be achieved at all, due to factors such as delays or failures in clinical trials or preclinical work, scheduling changes at CROs, the need to develop additional data required by regulators as a condition of approval, the uncertainties inherent in the regulatory approval process, delays in achieving manufacturing or marketing arrangements necessary to commercialize product candidates and limitations on the funds available to Crescita. If the Crescita does not meet these targets, including those which are publicly announced, the ultimate commercialization of its products may be delayed and, as a result, its business could be harmed.

Also, there can be no assurance that such trials and studies will be sufficient for regulatory authorities or that the required regulatory approvals will be obtained.

Uncertainty of Drug Research and Development

There can be no assurance that any of Crescita's product candidates will be successfully developed in a timely manner or that they will prove to be more effective than products based on existing or new technologies or that a sufficient number of medical professionals will recommend their use. The risk that a product candidate may fail clinical trials, that Crescita may be unable to successfully complete development, or that Crescita may make a decision for financial or other reasons to halt development of any

product candidate, particularly in instances where significant capital expenditures have already been made, could have a material adverse effect on Crescita.

In December 2015, Nuvo announced that it failed to meet the primary endpoint in the 2015 WF10 Study. Please see "*The Business – Operating Segments – Immunology Group*" for more information on the results of this trial. Crescita will have product candidates that are at an early stage in the drug development process and have not progressed to the clinical trial phase of development. There can be no assurance that preclinical or clinical testing of Crescita's product candidates will yield sufficiently positive results to enable progress toward commercialization and any such trials will take significant time to complete. Unsatisfactory results may prompt Crescita to reduce or abandon future testing or commercialization of particular product candidates and this may have a material adverse effect on Crescita. Crescita will no longer develop WF10.

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

Risk Related to Clinical Trials

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

A number of companies in the biotechnology and pharmaceutical industry have suffered significant setbacks in advanced clinical trials, even after achieving promising results in earlier trials and preclinical studies. Nuvo suffered a similar setback with the recent results of the 2015 WF10 Study and the 2014 WF10 Study where WF10 failed to meet its primary endpoint (see "*The Business – Operating Segments – Immunology Group*"). In many cases where clinical results were not favourable, were perceived negatively or otherwise did not meet expectations, the share prices of these companies declined significantly. Failure to complete clinical trials successfully and to obtain successful results on a timely basis could have an adverse effect on Crescita's future business and the price of the Crescita Common Shares.

Patient Enrolment May Not be Adequate for Current Trials or Future Clinical Trials

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

Rapid Technological Change Could Make Products or Drug Delivery Technologies Obsolete

Pharmaceutical technologies are subject to rapid and significant technological change. Crescita's competitors may develop new technologies and products that may render Crescita's products and drug delivery technologies uncompetitive or obsolete. The products and drug delivery technologies of its competitors may be more effective than the products and drug delivery technologies developed by Crescita. As a result, Crescita's products may become obsolete before it recovers expenses incurred in connection with their development or realizes revenues from any commercialized products.

Reliance on Third Parties to Conduct Clinical and Preclinical Studies

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

Prolonged Development Time

It takes considerable time to develop new prescription or over-the-counter drug products, to obtain the necessary regulatory approvals permitting sales, to establish appropriate distribution channels and market acceptance and to obtain insurer reimbursement approvals. This time period is generally from five to more than ten years and it exposes Crescita to significant risks, including the development of competing products, loss of investor interest, shifting consumer preferences, changes in personnel and new regulatory requirements. During this lengthy period, Nuvo has often incurred, and Crescita may incur, significant development-related costs without generating offsetting revenues.

Publications of Negative Study or Clinical Trial Results

The publication of negative results of studies or clinical trials related to Crescita's products, or the therapeutic areas in which its products compete, may adversely affect sales, the prescription trends for the products, the reputation of the products and the price of the Crescita Common Shares. From time-to-time, studies or clinical trials on various aspects of pharmaceutical products will be conducted by Crescita, academics or others, including government agencies. The results of these studies or trials, when published, may have a dramatic effect on the market for the pharmaceutical product that is the subject of the study. In the event of the publication of negative results of studies or clinical trials related to Crescita's marketed products or the therapeutic areas in which these products compete, the business, financial condition, results of operations and cash flows of Crescita may be adversely affected.

Competition

The pharmaceutical industry is characterized by evolving technology and intense competition. Crescita will be engaged in areas of research where developments are expected to continue at a rapid pace. Many companies, including major pharmaceutical and specialized biotechnology companies, are engaged in activities focused on medical conditions that are the same as or similar to those that will be targeted by Crescita. Crescita's success depends upon maintaining a competitive position in the R&D industry and commercialization of its products. Competition from pharmaceutical, chemical and biotechnology companies, as well as universities and research institutes, is intense and is expected to increase. Many of these organizations have substantially greater R&D, experience in manufacturing, marketing, financial and managerial resources and they represent significant competition. If Crescita fails to compete successfully in any of these areas, its business, results of operations, financial condition and cash flows could be adversely affected.

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

Crescita's branded products may face competition from generic versions. Generic versions are generally significantly cheaper than the branded version, and, where available, may be required or encouraged in preference to the branded version under third-party reimbursement programs or substituted by pharmacies for branded versions by law. The entrance of generic competition to Crescita's branded products will reduce the market share and adversely affect Crescita's profitability and cash flows. Generic competition with Crescita's branded products would be expected to have a material adverse effect on net sales and profitability of the branded product and of Crescita.

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

Competition for Pliaglis

Pliaglis faces competition in all markets from other topically applied local anaesthetic drug products such as compounded anaesthetic creams that are available from certain pharmacies, EMLA Cream (a eutectic mixture of lidocaine 2.5% and prilocaine 2.5%), and L.M.X 4 and L.M.X.5 Anorectal Creams that are available OTC.

Products May Fail to Achieve Market Acceptance

Any products successfully developed by Crescita may not achieve market acceptance and, as a result, may not generate sufficient revenues. Market acceptance of Crescita's products by physicians or patients will depend on a number of factors, including:

- availability, cost and effectiveness of products when compared to competing products and alternative treatments;
- relative convenience and ease of administration;
- the prevalence and severity of any adverse side effects;
- the acceptance of competing products;
- pricing, which may be subject to regulatory control;
- effectiveness of marketing and distribution partners' sales and marketing strategies; and
- the ability to obtain sufficient third-party insurance coverage or reimbursement.

If any product commercialized by Crescita does not provide a treatment regimen that is as beneficial as the current standard of care or otherwise does not provide patient benefit, there is the potential that it will not achieve market acceptance. This may result in a shortfall in revenues and an inability to achieve or maintain profitability.

Dependence on Sales and Marketing Partnerships

Crescita will have limited sales and marketing experience and is expected to lack the financial and other resources necessary to undertake marketing and advertising activities worldwide. Accordingly, Crescita will rely on marketing arrangements, including joint ventures, licensing or other third-party arrangements, to distribute its products in jurisdictions where it lacks the resources or expertise. Crescita will face significant competition in seeking appropriate partners and distributors. Moreover, collaboration and distribution arrangements are complex and time consuming to negotiate, document and implement. Therefore, there can be no assurance that Crescita will be able to find additional marketing and distribution partners in any jurisdiction or be able to enter into any marketing and distribution arrangements on acceptable terms, or at all. Moreover, there can be no assurance that Crescita's partners will dedicate the resources needed to successfully market and distribute Crescita's products and maximize sales. In addition, under these arrangements, disputes may arise with respect to payments that Crescita or its partners believe are due under such distribution or marketing arrangements, a partner or distributor may develop or distribute products that compete with Crescita's products or they may terminate the relationship.

Crescita will have minimal influence in the worldwide sales and marketing activities for Pliaglis, as these decisions are made by Galderma. Although Crescita will have three seats on the Joint Steering Committee that was established to monitor the development and commercial activities related to Pliaglis, Crescita will have no direct control over the technical, regulatory and commercial activities for the product. In addition, Galderma is responsible for the worldwide commercialization of Pliaglis and, as such, Crescita will rely on Galderma to successfully execute a worldwide commercialization program. An unsuccessful commercialization program may decrease the royalties and the royalty rate that Crescita will be eligible to receive and this may impact cash flows.

Crescita will depend on all of its partners and licensees to comply with all government legislation and regulations relating to selling Crescita's products in their respective territories. If any of our partners do not comply, this could have a material impact on the cash flows of Crescita.

Generic Drug Manufacturers

Regulatory approval for competing generic drugs can be obtained without investing in the same level of costly and time-consuming clinical trials that Nuvo has conducted or Crescita might conduct in the future. Due to the substantially reduced development costs, generic drug manufacturers are often able to charge much lower prices for their products than the original developer. Crescita may face competition from manufacturers of generic drugs on some of its products that are commercial, since a number of Nuvo's patents have expired, or if not yet expired, may be ignored by generic drug manufacturers who choose to launch their products "at risk" of a possible patent infringement lawsuit brought by Crescita or its licensing partners. Generic competition may impact the prices at which Crescita's products are sold, the royalty rates Crescita receives and the volume of product sold which may substantially reduce Crescita's overall revenues.

Reimbursement and Product Pricing

There can be no assurance that Pliaglis will be successfully commercialized in current markets or that the additional regulatory approvals necessary to commercialize Pliaglis in markets where it is not currently approved will be obtained, or that Pliaglis will receive reimbursement coverage in any jurisdiction.

Furthermore, even after approval for reimbursement of Crescita's products is obtained from private health coverage insurers or government health authorities, it may be removed at any time. Significant uncertainty exists as to the reimbursement status of newly

approved healthcare products and there can be no assurance that third-party coverage will be sufficient to give Crescita an appropriate return on its investment in developing existing or new products. Increasingly, government and other third-party payers are attempting to contain expenditures for new therapeutic products by limiting or refusing coverage, limiting reimbursement levels, imposing high co-pays, requiring prior authorizations and implementing other measures. Inadequate coverage or reimbursement could adversely affect market acceptance of Crescita's products. Third-party payers increasingly challenge the pricing of pharmaceutical products. Moreover, the trend toward managed healthcare in the U.S., the growth of organizations such as health maintenance organizations and reforms to healthcare and government insurance programs, could significantly influence the purchase of healthcare services and products, resulting in lower prices and reduced demand for Crescita's products.

In the U.S., each third-party payer plan is organized into tiers and the number of tiers will vary. Each tier represents a different reimbursement level. There is no guarantee that Crescita's products will be reimbursed even at tiers where the reimbursement amounts are minimal.

In some countries, particularly the countries of the E.U., the pricing of prescription pharmaceuticals is subject to government control. In these countries, pricing negotiations with governmental authorities can take considerable time and delay the introduction of a product to the market. To obtain reimbursement or pricing approval in some countries, Crescita may be required to conduct a clinical trial that compares the cost effectiveness of its product candidate to other available therapies. If reimbursement of Crescita's product is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, its business could be adversely affected. In addition, any country could pass legislation or change regulations affecting the pricing of pharmaceuticals before or after a regulatory agency approves any of its product candidates for marketing in ways that could adversely affect Crescita. While Crescita cannot predict the likelihood of any legislative or regulatory changes, if any government or regulatory agency adopts new legislation or new regulations, Crescita's business could be harmed.

Potential Product Liability

Crescita may be subject to product liability claims associated with the use of its products either after their approval or during clinical trials and there can be no assurance that liability insurance will continue to be available on commercially reasonable terms or at all. Product liability claims might also exceed the amounts or fall outside the scope of such coverage. Product liability claims against Crescita, regardless of their merit or potential outcome, could be costly and divert management's attention from other business matters or adversely affect its reputation and the demand for its products.

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

There can be no assurance that a product liability claim or series of claims brought against Crescita would not have a material adverse effect on its business, financial condition, results of operations and cash flows. If any claim is brought against Crescita, regardless of the success or failure of the claim, there can be no assurance that Crescita will be able to obtain or maintain product liability insurance in the future on acceptable terms or with adequate coverage against potential liabilities or the cost of a recall.

Manufacturing and Supply Risks

Crescita will purchase key raw materials necessary for the manufacture of its products and finished products from a limited number of suppliers around the world and in some cases will rely on its licensing partners to manufacture its products.

In addition, since WF10 and Oxoferin are manufactured by CMOs, Crescita will have limited ability to control the manufacturing process or costs related to this process. Increases in the prices paid to the CMO, price increases from suppliers of any component of the product, interruptions in supply of product or lapses in quality could adversely impact Crescita's margins, profitability and cash flows. Crescita will be reliant on its third-party CMOs to maintain the facilities at which it manufactures Crescita's products in compliance with various countries' regulatory authorities. If the CMO fails to maintain compliance with regulatory authorities, they could be ordered to cease manufacturing, which would have a material adverse impact on Crescita's business, results of operations, financial condition and cash flows.

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

Under the terms of the Pliaglis license agreements, Galderma has the sole right to manufacture Pliaglis and; therefore, Crescita will depend on Galderma as the only qualified supplier of the product for all global markets. Pliaglis also contains the active drugs lidocaine and tetracaine and in the past the form of tetracaine used in the product has, at times, been difficult to procure. Crescita will be reliant on Galderma to maintain the facilities at which it manufactures Pliaglis in compliance with FDA, EMA, state and local regulations and other regulatory agencies. If Galderma fails to maintain compliance with FDA, EMA or other critical regulations, they could be ordered to cease manufacturing, which would have a material adverse impact on Crescita's business, results of

operations, financial condition and cash flows. In addition to FDA regulations, violation of standards enforced by the Environmental Protection Agency, the Occupational Safety and Health Administration and their counterpart agencies at the state level, could slow down or curtail operations of Galderma.

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

As a result, in the case where only one supplier of a particular API or critical raw material meets all of the FDA's (or other regulatory agencies) requirements and has a DMF (or similar filing) on file with the FDA, Crescita will be at risk should a supplier violate GMPs, fail an FDA inspection, terminate access to its DMF, be unable to manufacture product, choose not to supply Crescita or decide to increase prices. For some of the raw materials required to manufacture Oxoferin and WF10, Nuvo currently has only one approved supplier.

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

Nuvo's current internal manufacturing capabilities are limited to its site Wanzleben, Germany that produces the active ingredient in WF10 and Oxoferin. Nuvo has never achieved capacity in this facility. This exposes Crescita to the following risks, any of which could delay or prevent the commercialization of its products, result in higher costs or deprive it of potential product revenues:

- Crescita may encounter difficulties in achieving volume production, quality control and quality assurance, as well as relating to shortages of qualified personnel. Accordingly, Crescita might not be able to manufacture sufficient quantities to meet its clinical trial needs or to commercialize its products;

- Crescita's manufacturing facilities will be required to undergo satisfactory current GMPs inspections prior to regulatory approval and are obliged to operate in accordance with E.U. and other nationally mandated GMPs, which govern manufacturing processes, stability testing, record keeping and quality standards. Failure to establish and follow GMPs and to document adherence to such practices, may lead to significant delays in the availability of material for clinical studies and may delay or prevent filing or approval of marketing applications for Crescita's products; and

- Changing manufacturing locations would be difficult and the number of potential manufacturers is limited. Changing manufacturers generally requires re-validation of the manufacturing processes and procedures in accordance with E.U. and other nationally mandated GMPs. Such re-validation may be costly and would be time consuming. It would be difficult or impossible to quickly find replacement manufacturers on acceptable terms, if at all.

Crescita's manufacturing facilities will be subject to ongoing periodic unannounced inspection by the E.U. and other country agencies, and may be subject to inspection by local, state, provincial and federal authorities from various jurisdictions to ensure strict compliance with GMPs and other government regulations. Failure by Crescita to comply with applicable regulations could result in sanctions being imposed on it, including fines, injunctions, civil penalties, failure of the government to grant review of submissions or market approval of drugs, delays, suspension or withdrawal of approvals, seizures or recalls of product, operating restrictions, facility closures and criminal prosecutions, any of which could materially adversely affect Crescita's business.

Hazardous Materials and Environmental

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

Operating Losses

Crescita will incur substantial expenditures as it proceeds with its development programs to advance the products in its pipeline and to seek regulatory approvals. During this period, Crescita is expected to generate minimal revenue. Accordingly, Crescita does not expect to attain sustained profitability for the foreseeable future and Crescita may never achieve profitability. Even if it achieves profitability, it may not remain profitable. Crescita's inability to become and remain profitable could depress the market price of its shares and could impair its ability to raise capital, expand its business, expand its product pipeline or continue its operations.

There can be no assurance that Crescita will achieve significant revenues from its commercial products (i.e. Pliaglis, Oxoferin and WF10) or achieve profitability or that it will obtain additional marketing approvals for its products in other jurisdictions. There can be no assurance that Crescita will successfully develop and obtain regulatory approval for any other therapeutic product or that it will successfully commercialize such product if it is developed and approved.

Quarterly Fluctuations

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

Personnel

Crescita will depend upon certain key members of its scientific and management teams. The loss of any of these individuals could have a material adverse effect on Crescita. Crescita will not maintain key-man insurance on any employee.

Crescita's success will depend, in large part, on its ability to continue to attract and retain qualified scientific, manufacturing and management personnel. Crescita will face intense competition for such personnel. It may not be able to attract and retain qualified management, manufacturing and scientific personnel in the future. Also, it must provide training for its employee base due to the highly specialized nature of pharmaceutical products.

Further, Crescita expects that its growth and potential expansion into specific areas and activities requiring new or additional expertise, such as in the areas of R&D, preclinical studies, CMC work, clinical trials and regulatory approvals will place additional requirements on management, operational and financial resources. It is expected that these demands will require an increase in the number of management and scientific personnel and development of additional expertise by existing personnel. The failure to attract and retain such personnel, or to develop such expertise, could materially adversely affect prospects for its success. In addition, to attract qualified personnel, Crescita may be required to establish offices in different locations. Failure of personnel in different locations to work effectively together could materially adversely affect Crescita's success.

Given these potential challenges, current personnel may be unable to adapt or may not have the appropriate skills and Crescita may fail to assimilate and train new employees. Highly skilled employees with the education and training required, especially employees with significant experience and expertise in drug delivery systems, are in high demand. Once trained, Crescita's employees may be hired by its competitors.

Information Technology Infrastructure

Despite the implementation of security measures, Crescita's information systems and those of our contractors and consultants will be vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. Such events could cause interruption of our operations. Crescita's business will depend on the efficient and uninterrupted operation of computer and communications systems and networks, hardware and software systems and other information technology. If systems were to fail or Crescita was unable to successfully expand the capacity of these systems or was unable to integrate new technologies into its existing systems, its operations and financial results could suffer.

Litigation and Regulation

From time-to-time, during the ordinary course of business, Crescita will be threatened with, or named as a defendant in various legal proceedings, including lawsuits based upon product liability, patent infringement, personal injury, breach of contract and lost profits or other consequential damage claims.

A significant judgment against Crescita or the imposition of a significant fine or penalty or a finding that Crescita has failed to comply with laws or regulations or a failure to settle any dispute on satisfactory terms, could have a significant adverse impact on

Crescita's ability to continue operations. Additionally, lawsuits and investigations can be expensive to defend, whether or not the lawsuit or investigation has merit, and the defense of these actions may divert the attention of Crescita's management and other resources that would otherwise be engaged in running Crescita's business.

Acquisition and Integration of Complementary Technologies or Businesses

Crescita plans to pursue product or business acquisitions that would complement or expand its business. However, it may not be able to identify appropriate acquisition candidates in the future. If an acquisition candidate is identified, Crescita may not be able to successfully negotiate the terms of any such acquisition or finance such acquisition. Any such acquisition could result in unanticipated costs or liabilities, diversion of management's attention from the core business, the expenditure of resources and the potential loss of key employees, particularly those of the acquired organizations. In addition, Crescita may not be able to successfully integrate any businesses, products, technologies or personnel that it might acquire in the future, which may harm its business.

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

Inability to Achieve Expected Savings from Restructurings

Crescita may, from time-to-time, seek to restructure its operations, which may require it to incur restructuring charges and it may not be able to achieve the level of benefits that it expects to realize from any restructuring activities or it may not be able to realize these benefits within the expected time frames. Furthermore, upon the closure of any facilities in connection with restructuring efforts, Crescita may not be able to divest such facilities at a fair price or in a timely manner. Changes in the amount, timing and character of charges related to restructurings and the failure to complete or a substantial delay in completing any restructuring plan could have a material adverse effect on Crescita's business.

Losses Due to Foreign Currency Fluctuations

It is anticipated that the majority of the revenue from commercialization of Crescita's product candidates may be in currencies other than Canadian dollars. Fluctuation in the exchange rate of the Canadian dollar relative to these other currencies could result in Crescita realizing a lower profit margin on sales of its product candidates than anticipated at the time of entering into such commercial agreements. Adverse movements in exchange rates could have a material adverse effect on Crescita's financial condition and results of operations.

International Operations

Crescita will have operations outside of Canada, primarily in the E.U. and the U.S., in order to research, develop, market, distribute and manufacture certain of its products and potential products. Crescita may expand such operations further in the future. Participation in international markets requires resources and management's attention and will subject Crescita to business risks, including the following:

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

The occurrence of any of these or other factors may cause Crescita's international operations to be unsuccessful, could lower the prices at which it can sell its products or otherwise have an adverse effect on its operating results.

Taxes

Crescita will be a multinational corporation with global operations. As such, it will be subject to the tax laws and regulations of Canadian federal, provincial and local governments, the U.S. and many international jurisdictions, including transfer pricing laws and regulations between many of these jurisdictions.

Significant judgment is required in determining Crescita's provision for income taxes and claims for investment tax credits related to qualifying Scientific Research and Experimental Development expenditures in Canada. Various internal and external factors may have favourable or unfavourable effects on future provisions for income taxes and Crescita's effective income tax rate. These factors include, but are not limited to, changes in tax laws, regulations and/or rates, results of audits by tax authorities, changing interpretations of existing tax laws or regulations, changes in estimates of prior years' items, future levels of R&D spending and changes in overall levels of income before taxes. Furthermore, new accounting pronouncements or new interpretation of existing accounting pronouncements can have a material impact on Crescita's effective income tax rate.

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

Nuvo, from time-to-time, has executed multiple reorganization transactions impacting its tax structure. If a tax authority has a different interpretation from Nuvo's, it could potentially impose additional taxes, penalties or fines.

Compliance with Laws and Regulations Affecting Public Companies

Any future changes to the laws and regulations affecting public companies, compliance with existing provisions of Multilateral Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings* of the Canadian Securities Administrators and the other applicable Canadian securities laws and regulation and related rules and policies, may cause Crescita to incur increased costs as it evaluates the implications of new rules and implements any new requirements. Delays or a failure to comply with the new laws, rules and regulations could result in enforcement actions, the assessment of other penalties and civil suits.

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

Crescita will be required annually to review and report on the effectiveness of its internal control over financial reporting in accordance with *Multilateral Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings* of the Canadian Securities Administrators. The results of this review will be reported in Crescita's Annual Report and in its Management's Discussion and Analysis of Results of Operations and Financial Condition. Crescita's Chief Executive Officers and Chief Financial Officer will be required to report on the effectiveness of Crescita's internal control over financial reporting.

Management's review is designed to provide reasonable assurance, not absolute assurance, that all material weaknesses existing within Crescita's internal controls are identified. Material weaknesses represent deficiencies existing in Crescita's internal controls that may not prevent or detect a misstatement occurring which could have a material adverse effect on the quarterly or annual financial statements of Crescita. In addition, management cannot provide assurance that the remedial actions being taken by Crescita to address any material weaknesses identified will be successful, nor can management provide assurance that no further material weaknesses will be identified within its internal controls over financial reporting in future years.

If Crescita fails to maintain effective internal controls over its financial reporting, there is the possibility of errors or omissions occurring or misrepresentations in Crescita's disclosures which could have a material adverse effect on Crescita 's business, its financial statements and the value of the Crescita Common Shares.

Public Company Requirements May Strain Resources

As a public company, Crescita will be subject to the reporting requirements of the *Securities Act* (Ontario), as amended, the regulations and rules thereto, including the national and multilateral instruments adopted as rules, decisions, rulings and orders promulgated under the *Securities Act* (Ontario) and the published policy statements issued by the OSC and the listing requirements of the TSX. The ever increasing obligations of operating as a public company will require significant expenditures and will place additional demands on management as Crescita complies with the reporting requirements of a public company. Crescita may need to hire additional accounting, financial and legal staff with appropriate public company experience and technical accounting and regulatory knowledge.

In addition, actions that may be taken by significant shareholders may divert the time and attention of the Crescita Board and management from its business operations. Campaigns by significant investors to effect changes at publicly traded companies have increased in recent years. If a proxy contest were to be pursued by any of Crescita's shareholders, it could result in substantial expense to Crescita and consume significant attention of management and the Crescita Board. In addition, there can be no assurance that any shareholder will not pursue actions to effect changes in the management and strategic direction of Crescita, including through the solicitation of proxies from Crescita's shareholders.

Management of Growth

Crescita's future growth, if any, may cause a significant strain on management, operational, financial and other resources. The ability to effectively manage growth will require Crescita to improve and/or expand its scientific, operational, financial and management information systems and to train, manage and motivate its employees. These demands may require the addition of new management personnel and the development of additional expertise by management. Any increase in resources devoted to research, product and business development without a corresponding increase in scientific, operational, financial and management information systems could have a material adverse effect on performance. The failure of Crescita's management team to effectively manage growth could have a material adverse effect on Crescita's business, financial condition and results of operations.

Risks related to Ownership of Crescita Common Shares

Sales of a substantial number of the Crescita Common Shares may cause the price of the Crescita Common Shares to decline.

Any sales of substantial numbers of the Crescita Common Shares in the public market or the exercise of significant amounts of Crescita Options or the perception that such sales or exercise might occur, whether as a result of Crescita's separation from Nuvo or otherwise, may cause the market price of the Crescita Common Shares to decline.

The distribution of the Crescita Common Shares to Crescita Shareholders whose investment profile may not be consistent with Crescita's investment profile may lead to significant sales of the Crescita Common Shares or a perception that such sales may occur, either of which could have a material adverse effect on the market for and market price of the Crescita Common Shares.

Volatility of Crescita Common Share price

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

The market price of the Crescita Common Shares could fluctuate significantly for many other reasons, including for reasons unrelated to our specific performance, such as reports by industry analysts, investor perceptions, or negative announcements by our customers, competitors or suppliers regarding their own performance, as well as general economic and industry conditions. For example, to the extent that other large companies within our industry experience declines in their stock price, the share price of the Crescita Common Shares may decline as well. In addition, when the market price of a company's shares drops significantly, shareholders often institute securities class action lawsuits against the company. A lawsuit against us could cause us to incur substantial costs and could divert the time and attention of our management and other resources.

Dilution from further equity financing and declining Crescita Common Share price

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

Issue of Preference Shares

The Crescita Board will have the authority to issue undesignated preference shares in one or more series and, before issue, to fix the designation of, and the rights and restrictions attached to, the preference shares of each series, without consent from holders of Crescita Common Shares. Preference shares could be issued with voting, dividend, liquidation, dissolution, winding-up and other rights superior to those of the holders of Crescita Common Shares.

Absence of Dividends

Nuvo has not paid dividends on the Nuvo Common Shares and Crescita does not anticipate declaring any dividends in the near future. As a result, the return on an investment in the Crescita Common Shares will depend upon any future appreciation in value. There is no guarantee that the Crescita Common Shares will appreciate in value or even maintain the price at which they initially trade following completion of the Arrangement.

Securities Industry Analyst Research Reports

The trading market for Crescita Common Shares may be influenced by research and reports that industry or securities analysts publish about Crescita or any of its partners. If covered, a decision by an analyst to cease coverage of Crescita or fail to regularly publish reports on Crescita, could cause Crescita to lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline. Moreover, if an analyst who covers Crescita or any of its partners downgrades its, or its partner's stock or if operating results do not meet analysts' expectations, the stock price could decline. Crescita and its products may also be discussed in analyst research reports published about its partners and competitors.

The Crescita Rights Plan may discourage, delay or prevent a merger or other change of control of Crescita.

The Crescita Rights Plan, which will be in effect following completion of the Arrangement if approved by Shareholders at the Meeting, may discourage, delay or prevent a merger or other change of control that holders of Crescita Shares may consider favourable. See "*Crescita Rights Plan*" in this Appendix.

Risks Relating to Crescita's Separation from Nuvo Under the Arrangement

For risks relating to Crescita's separation from Nuvo under the Arrangement, see "*Risk Factors*" in the Management Information Circular. In addition, the following risk factors apply to Crescita:

The historical financial information of Crescita may not be representative of the results and financial conditions that Crescita would have achieved as an independent, combined entity, and, therefore, may not be reliable as an indicator of its historical or future results.

The historical financial information included in this Appendix is presented on a carve-out basis as if the Drug Development Business of Nuvo operated as a stand-alone entity for the periods presented. Due to the inherent uncertainties of Crescita's business, the financial information included in this Appendix does not necessarily reflect what Crescita's results of operations, financial position or cash flows would have been had Crescita been an independent, combined entity during the periods presented and are not necessarily indicative of what Crescita's results of operations, financial position, cash flows or costs and expenses will be in the future.

PROMOTER

Under applicable Canadian securities laws, Nuvo may be considered a promoter of Crescita in that it took the initiative in founding Crescita for the purposes of implementing the Arrangement. See "*The Arrangement*" in the Management Information Circular.

As of the date hereof, and as of the Arrangement Date, Nuvo does not and will not beneficially own, control or direct, directly or indirectly, any voting or other equity securities of Crescita or its subsidiaries.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of Crescita, there are no legal proceedings or regulatory actions material to Crescita or the Drug Development Business to which Crescita or any of its subsidiaries is or would be a party or of which any of its properties are or would be the subject matter, nor are any such proceedings or actions known to Nuvo or Crescita to be contemplated.

Since incorporation, there have not been any penalties or sanctions imposed against Crescita, Holdco or Subco by a court relating to provincial and territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against Crescita, Holdco or Subco, and neither Crescita, Holdco or Subco have entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the proposed directors or executive officers of Crescita or any person or company that is the direct or indirect owner of, or who exercises control or direction over, more than 10 percent of any class or series of Crescita's outstanding voting securities, or any associate or affiliate of any of the foregoing persons, in each case, on a *pro forma* basis as at the date hereof after giving effect to the Arrangement, has or has had any material interest, direct or indirect, in any past transaction or any proposed transaction that has materially affected or is reasonably expected to materially affect Crescita or which has not otherwise been described herein.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditor of Crescita will be Ernst & Young LLP, Chartered Professional Accountants, Licensed Public Accountants. Such firm will be independent of Crescita within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario (registered name of The Institute of Chartered Accountants of Ontario). By approving the Arrangement Resolution, Shareholders will be deemed to have voted for the appointment of such firm as auditor of Crescita and to have authorized the directors of Crescita to fix their remuneration.

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

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business and not required to be listed as material contracts in this Appendix, the only existing material contracts entered into or to be entered into by Holdco, Subco or Crescita prior to the completion of the Arrangement are the Arrangement Agreement, the Separation Agreement and related ancillary agreements (including the Transitional Services Agreement) and the Crescita Rights Plan, all of which are described in further detail above. See "*Arrangements with Nuvo*" and "*Crescita Rights Plan*". Copies of these agreements, when executed, may be viewed online at www.sedar.com.

FINANCIAL STATEMENT DISCLOSURE

Attached as Schedule "A" to this Appendix, and forming part of this Appendix, are the (a) Crescita Annual Combined Financial Statements and (b) Crescita Interim Combined Financial Statements. Attached as Schedule "B" to this Appendix, and forming part of this Appendix, is the statement of financial position of Holdco as at December 31, 2015, and the statements of income and comprehensive income and retained earnings of Holdco for the period from October 14, 2015 to December 31, 2015.

SCHEDULE "A"

CRESCITA COMBINED FINANCIAL STATEMENTS

Combined Financial Statements of Crescita Therapeutics December 31, 2014, December 31, 2013 and December 31, 2012

Management's Report

The accompanying Combined Financial Statements of Crescita Therapeutics have been prepared by management and approved by the Board of Directors of Nuvo Research Inc. (Nuvo). Management is responsible for the information and representations contained in these financial statements and the accompanying Management's Discussion and Analysis. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The significant accounting policies followed by the Company are set out in Note 3 to the Combined Financial Statements.

To assist management in discharging these responsibilities, the Company maintains a system of procedures and internal controls which are designed to provide reasonable assurance that its assets are safeguarded, that transactions are executed in accordance with management's authorization, and that the financial records form a reliable base for the preparation of accurate and timely financial information.

The Company's external auditors are appointed by the shareholders of Nuvo. They independently perform the necessary tests of accounting records and procedures to enable them to report their opinion as to the fairness of the Combined Financial Statements and their conformity with IFRS.

The Board of Directors ensures that management fulfills its responsibilities for financial reporting and internal control. The Board of Directors exercises this responsibility through an Audit Committee composed of three Directors, all of whom are not involved in the day-to-day operations of the Company. The Audit Committee meets quarterly with management, and with external auditors to review audit recommendations and any matters that the auditors believe should be brought to the attention of the Board of Directors. The Audit Committee reviews the Combined Financial Statements and Management's Discussion and Analysis and recommends their approval to the Board of Directors.

Chairman and
Co-Chief Executive Officer
January 4, 2016

President and
Co-Chief Executive Officer
January 4, 2016

Vice President
and Chief Financial Officer
January 4, 2016

INDEPENDENT AUDITORS' REPORT

To the Directors of Nuvo Research Inc.

We have audited the accompanying combined financial statements of Crescita Therapeutics Inc. (the "Company"), which comprise the combined statements of financial position as at December 31, 2014, 2013, and 2012, and the combined statements of loss and comprehensive loss, changes in net investment and cash flows for the years ended December 31, 2014, 2013 and 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Combined Financial Statements

Management of Nuvo Research Inc. is responsible for the preparation and fair presentation of these combined financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of Crescita Therapeutics Inc. as at December 31, 2014, 2013 and 2012, and their financial performance and cash flows for the years ended December 31, 2014, 2013 and 2012 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 to the combined financial statements which indicate that the Company incurred a net loss of $14,601,000 during the year ended December 31, 2014, and, as of that date the Company had an accumulated negative owner's net investment of $(3,225,000). These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Ernst & Young LLP

January 4, 2016
Toronto, Canada

Chartered Professional Accountants
Licensed Public Accountants

CRESCITA THERAPEUTICS
COMBINED STATEMENTS OF FINANCIAL POSITION

(Canadian dollars in thousands)	***Notes***	**As at December 31, 2014** **$**	As at December 31, 2013 $	As at December 31, 2012 $
ASSETS				
CURRENT				
Cash		**443**	621	1,335
Accounts receivable	*17*	**247**	2,393	1,451
Inventories	*4*	**418**	382	243
Other current assets	*5*	**438**	245	201
TOTAL CURRENT ASSETS		**1,546**	3,641	3,230
NON-CURRENT				
Property, plant and equipment	*6*	**90**	97	183
Intangible assets	*7*	**-**	1,350	7,884
TOTAL ASSETS		**1,636**	5,088	11,297
LIABILITIES AND NET INVESTMENT				
CURRENT				
Accounts payable and accrued liabilities	*9*	**3,411**	1,734	1,030
Current portion of other obligations	*8*	**138**	109	89
TOTAL CURRENT LIABILITIES		**3,549**	1,843	1,119
Other obligations	*8*	**188**	299	382
TOTAL LIABILITIES		**3,737**	2,142	1,501
NET INVESTMENT				
Owner's net investment		**(3,225)**	1,860	9,376
Accumulated other comprehensive income (AOCI)		**1,124**	1,086	420
TOTAL NET INVESTMENT		**(2,101)**	2,946	9,796
TOTAL LIABILITIES AND NET INVESTMENT		**1,636**	5,088	11,297

Commitments (Note 16)
See accompanying Notes.

On behalf of the Board of Directors

Anthony E. Dobranowski, Director

Dr. Klaus von Lindeiner, Director

CRESCITA THERAPEUTICS
COMBINED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Canadian dollars in thousands, except per share and share figures)	***Notes***	**Year ended December 31, 2014** **$**	Year ended December 31, 2013 $	Year ended December 31, 2012 $
REVENUE				
Product sales		**638**	603	664
Royalties		**192**	118	11
Licensing fees	*10*	**-**	2,061	6,911
Total revenue		**830**	2,782	7,586
OPERATING EXPENSES				
Cost of goods sold	*4, 13*	**279**	212	245
Research and development expenses	*5, 9, 13, 20*	**7,473**	4,994	3,758
General and administrative expenses	*7, 9, 13, 20*	**6,556**	5,696	4,844
Interest expense	*8*	**52**	63	72
Total operating expenses		**14,360**	10,965	8,919
OTHER EXPENSES (INCOME)				
Impairment of intangible assets and goodwill	*7*	**1,202**	6,098	11,553
Gain on ZARS contingent consideration	*11*	**-**	-	(2,300)
Loss on disposal of property, plant and equipment	*6*	**-**	10	-
Foreign currency (gain) loss		**(131)**	(16)	99
Total other expenses		**1,071**	6,092	9,352
NET LOSS		**(14,601)**	(14,275)	(10,685)
Other comprehensive income (OCI) (loss) to be reclassified to net income in subsequent periods				
Unrealized gains (loss) on translation of foreign operations		**38**	666	(544)
TOTAL COMPREHENSIVE LOSS		**(14,563)**	(13,609)	(11,229)
Net loss per common share –				
- basic and diluted	12	**$ (1.46)**	$ (1.61)	$ (1.21)
Weighted average number of common shares outstanding (in thousands)				
- basic and diluted	12	**10,023**	8,841	8,825

See accompanying Notes.

CRESCITA THERAPEUTICS
COMBINED STATEMENTS OF CHANGES IN NET INVESTMENT

	Owner's Net Investment	AOCI	Total
(Canadian dollars in thousands)	**$**	**$**	**$**
Notes	*9, 10, 11*		
Balance, December 31, 2011	**18,517**	**964**	**19,481**
Net loss	(10,685)	-	(10,685)
Net adjustments to owner's net investment	1,544	-	1,544
Unrealized loss on translation of foreign operations	-	(544)	(544)
Balance, December 31, 2012	**9,376**	**420**	**9,796**
Net loss	(14,275)	-	(14,275)
Net adjustments to owner's net investment	6,759	-	6,759
Unrealized gain on translation of foreign operations	-	666	666
Balance, December 31, 2013	**1,860**	**1,086**	**2,946**
Net loss	(14,601)	-	(14,601)
Net adjustments to owner's net investment	9,516	-	9,516
Unrealized gain on translation of foreign operations	-	38	38
Balance, December 31, 2014	**(3,225)**	**1,124**	**(2,101)**

See accompanying Notes.

CRESCITA THERAPEUTICS
COMBINED STATEMENTS OF CASH FLOWS

(Canadian dollars in thousands)	***Notes***	**Year ended December 31, 2014** **$**	Year ended December 31, 2013 $	Year ended December 31, 2012 $
OPERATING ACTIVITIES				
Net loss		**(14,601)**	(14,275)	(10,685)
Items not involving current cash flows:				
Impairment of intangible assets	*7*	**1,202**	6,098	7,176
Impairment of goodwill	*7*	**-**	-	4,377
Gain on ZARS contingent consideration	*11*	**-**	-	(2,300)
Depreciation and amortization	*6, 7*	**300**	889	155
Equity-settled stock-based compensation	*9*	**245**	185	328
Deferred license fee revenue recognized	*10*	**-**	-	(751)
Unrealized foreign exchange loss (gain)		**(141)**	159	(58)
Loss on disposal of property, plant and equipment	*6*	**-**	10	-
Inventory write-down (reversal)	*4*	**54**	(14)	(11)
Accretion of long-term consulting agreement	*8*	**52**	63	72
		(12,889)	(6,885)	(1,697)
Net change in non-cash working capital	*14*	**3,591**	(298)	(1,812)
CASH USED IN OPERATING ACTIVITIES		**(9,298)**	(7,183)	(3,509)
INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	*6*	**(43)**	(20)	(40)
CASH USED IN INVESTING ACTIVITIES		**(43)**	(20)	(40)
FINANCING ACTIVITIES				
Additional net investment from Nuvo Research Inc.		**9,271**	6,574	1,216
Payments under long-term consulting agreement	*8*	**(166)**	(155)	(125)
CASH PROVIDED BY FINANCING ACTIVITIES		**9,105**	6,419	1,091
Effect of exchange rate changes on cash		**58**	70	8
Net change in cash during the year		**(178)**	(714)	(2,450)
Cash, beginning of year		**621**	1,335	3,785
CASH, END OF YEAR		**443**	621	1,335

See accompanying Notes.

CRESCITA THERAPEUTICS
NOTES TO THE COMBINED FINANCIAL STATEMENTS

Unless noted otherwise, all amounts shown are in thousands of Canadian dollars

1. BASIS OF PREPARATION

On September 14, 2015, the Board of Directors of Nuvo Research® Inc. (Nuvo) unanimously approved, in principle, a transaction to separate the drug development operations of Nuvo to its shareholders and establish the business as a separate publicly traded company, if approved by Nuvo shareholders. This distribution to Nuvo's shareholders will proceed by way of arrangement under the *Business Corporations Act* (Ontario) (the Arrangement).

These Combined Financial Statements present the financial position, results of operations, changes in net investment and cash flows of Nuvo's drug development operations as if it had operated as a stand-alone entity, Crescita Therapeutics (Crescita or the Company).

These Combined Financial Statements have been primarily derived from the accounts of Nuvo's wholly owned U.S. and European subsidiaries, adjusted to remove balances and transactions related to a commercialized product that will not form part of Crescita - the heated lidocaine/tetracaine patch (HLT Patch). These Combined Financial Statements also include an allocation of balances and transactions relating to both corporate office activities performed on behalf of the Company by Nuvo and certain drug development activities performed on behalf of the Company by Nuvo's Canadian subsidiary.

As these Combined Financial Statements represent a portion of the business of Nuvo which was not organized as a stand-alone entity, the net assets of Crescita have been reflected as Owner's net investment.

Management believes both the assumptions and the allocations underlying the Combined Financial Statements of Crescita are reasonable. However, as a result of the basis of presentation described above, these Combined Financial Statements may not necessarily be indicative of the operating results and financial position that would have resulted had Crescita historically operated as a stand-alone entity.

Statement of Compliance

These Combined Financial Statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

The policies applied to these Combined Financial Statements are based on IFRS, which have been applied consistently to all periods presented. These Combined Financial Statements were issued and effective as at January 4, 2016, the date the Board of Directors of Nuvo approved the Combined Financial Statements.

2. NATURE OF BUSINESS AND GOING CONCERN ASSUMPTION

Following the completion of the Arrangement, Crescita will be a Canadian biotech company with a portfolio of products and technologies. The Company will operate two distinct business units: the Topical Products and Technology (TPT) Group and the Immunology Group. The TPT Group has one commercial product, Pliaglis, that is licensed globally and a pipeline of topical and transdermal products focusing on pain and dermatology and multiple drug delivery platforms that support the development of patented formulations that can deliver actives into or through the skin (see Note 23 – Subsequent Event – Pliaglis North American Rights Reacquisition). The Immunology Group has two commercial products, Oxoferin™ and WF10™, and an immune system modulation platform that supports the development of drug products that modulate chronic inflammation processes resulting in a therapeutic benefit. The Company will be governed by the *Business Corporations Act* (Ontario) and its head and registered office will be located at 7560 Airport Road, Unit 10, Mississauga, Ontario L4T 4H4.

Topical Products and Technology Group

The TPT Group has one commercial product, Pliaglis. Pliaglis is a topical local anaesthetic cream that provides safe and effective local dermal anaesthesia on intact skin prior to superficial dermatological procedures, such as dermal filler injection, pulsed dye laser therapy, facial laser resurfacing and laser-assisted tattoo removal. The Company has licensed worldwide marketing rights to Galderma Pharma S.A.(Galderma) (see Note 23 – Subsequent Event – Pliaglis North American Rights Reacquisition). Pliaglis is approved for sale and marketing in the United States, several Western European countries, Argentina, Brazil and Canada. Galderma launched the commercial sale and marketing of Pliaglis in the U.S. and in the European Union in 2013 and in Brazil in March 2014. In Argentina, Pliaglis has been sold and marketed since 2011. The Company's development pipeline consists of Ibuprofen Foam for the treatment of acute pain, a topical treatment for onychomycosis and Flexicaine for the treatment of postherpetic neuralgia.

Immunology Group

The Immunology Group is focused on developing drug products that modulate chronic inflammation processes resulting in a therapeutic benefit. Such pathological, inflammatory processes play an important role in the onset of several diseases including allergic rhinitis, allergic asthma, rheumatoid arthritis and inflammatory bowel diseases. The Immunology Group has

two commercial products, WF10 and Oxoferin. WF10 is approved in Thailand under the brand name Immunokine as an adjunct in the treatment of cancer to relieve post radiation therapy syndromes and as an adjunct therapy for diabetic foot ulcers, but is not otherwise approved for sale and marketing in any other jurisdictions. Oxoferin, a topical wound healing agent, contains the active ingredient in WF10, but at a lower concentration. Oxoferin is marketed by Nuvo and its partners in parts of the E.U. and Asia as a topical wound healing agent under the trade names Oxoferin and Oxovasin™.

Going Concern
These Combined Financial Statements have been prepared on a going-concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future.

As at December 31, 2014, Crescita's historical losses have exceeded Nuvo's investment, resulting in a net investment of $(3.2) million including a net loss of $14.6 million during the year ended December 31, 2014.

The Company is economically dependent on and has historically relied on Nuvo for funding to support its operations. As described in Note 21, Subsequent Event – Plan to Separate Company, under the terms of the Arrangement, Nuvo will invest an estimated $35.0 million of additional funds in the Company to provide working capital. The Company anticipates that this cash will be sufficient to fund Crescita's operations as currently planned for a period of approximately 24 months. Beyond that date, there can be no assurance that the Company will have sufficient capital to fund its ongoing operations or develop or commercialize any further products without future financings.

The Company's ability to continue as a going concern is dependent on its ability to secure additional licensing fees, secure co-development agreements, obtain additional capital when required, gain regulatory approval for other drugs and ultimately achieve profitable operations. To raise additional capital the Company must continue to demonstrate the successful progression of its research and development activities, including its ability to advance the development of WF10 and its pipeline products to significant milestones that are financeable (see Note 22 – Subsequent Event – 2015 WF10 Trial Top Line Results).

As there can be no certainty as to the outcome of the above matters, there is material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

There can be no assurance that additional financing would be available on acceptable terms or at all, when and if required. If adequate funds are not available when required, the Company may have to substantially reduce or eliminate planned expenditures, terminate or delay clinical trials for its product candidates, curtail product development programs designed to expand the product pipeline or discontinue certain operations. If the Company is unable to obtain additional financing when and if required, the Company may be unable to continue operations.

These Combined Financial Statements do not include any adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Measurement
These Combined Financial Statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the functional currency of the Company's corporate operations.

Use of Estimates and Judgments
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the Combined Financial Statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from these estimates and such differences could be material.

Key areas of estimation or use of managerial assumptions are as follows:

(i) Allocations

Nuvo and its Canadian subsidiary paid certain costs for the Company and performed certain activities on behalf of the Company. As a result, these Combined Financial Statements include allocations of certain balances and transactions reported in the accounts of Nuvo and its Canadian subsidiary.

An entity included in the Combined Financial Statements paid certain costs for Nuvo and performed certain activities on behalf of Nuvo related to the HLT Patch. Accordingly, an allocation of certain balances and transactions reported in the accounts of this entity have been excluded from the Combined Financial Statements.

Compensation related costs have been allocated using methodologies primarily based on proportionate time spent on the Company's and Nuvo's respective activities. These cost allocations have been determined on a basis considered by the Company and Nuvo to be a reasonable reflection of the utilization of services provided to the Company.

(ii) Intangible assets:

The Company determines fair values based on discounted cash flows, market information, independent valuations and management's estimates. The values calculated for intangible assets involve significant estimates and assumptions, including those with respect to future cash flows, discount rates and asset lives. These significant estimates and judgments could impact the Company's future results if the current estimates of future performance and fair values change and could affect the amount of amortization expense on intangible assets in future periods.

(iii) Cash-generating units:

The identification of cash-generating units (CGUs) within the Company requires considerable judgment. Under IFRS, management must determine the smallest group of assets that generate independent cash inflows. Management first considers the Company's commercialized products, and then determines the operations that contribute to each product's revenue base and net cash inflows. Management has identified two CGUs: the U.S. operations dedicated to generating cash inflows for Pliaglis and the Immunology Group that generates cash inflows for WF10.

(iv) Impairment of non-financial assets:

The Company reviews the carrying value of non-financial assets for potential impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The impairment test on CGUs is carried out by comparing the carrying amount of the CGU and its recoverable amount. The recoverable amount of a CGU is the higher of its fair value, less costs to sell and its value in use. This complex valuation process entails the use of methods, such as the discounted cash flow method which requires numerous assumptions to estimate future cash flows. The recoverable amount is impacted significantly by the discount rate selected to be used in the discounted cash flow model, as well as the quantum and timing of expected future cash flows and the growth rate used for the extrapolation.

(v) Share-based payments:

Certain employees of Crescita participate in Nuvo's stock-based compensation plans. Nuvo's costs allocated to Crescita include an amount related to stock-based compensation.

The Company measures the cost of share-based payments, either equity or cash-settled, with employees by reference to the fair value of the equity instrument or underlying equity instrument at the date on which they are granted. In addition, cash-settled share-based payments are remeasured at fair value at every reporting date.

Estimating fair value for share-based payments requires management to determine the most appropriate valuation model for a grant, which is dependent on the terms and conditions of each grant. In valuing certain types of stock-based payments, such as incentive stock options and stock appreciation rights, the Company uses the Black-Scholes option pricing model.

Several assumptions are used in the underlying calculation of fair values of the Company's stock options and stock appreciation rights using the Black-Scholes option pricing model, including the expected life of the option, stock price volatility and forfeiture rates. Details of the assumptions used are included in Note 9.

(vi) Revenue recognition

As is typical in the pharmaceutical industry, the Company's royalty streams are subject to a variety of deductions that generally are estimated and recorded in the same period that the revenues are recognized and primarily represent rebates, discounts and incentives and product returns. These deductions represent estimates of the related obligations. Amounts recorded for sales deductions can result from a complex series of judgments about future events and uncertainties and can rely on estimates and assumptions.

Basis of Combination

These Combined Financial Statements include the accounts of Nuvo's wholly-owned U.S. and European subsidiaries, as listed below, adjusted to remove balances and transactions related to the HLT Patch:

	December 31, 2014	December 31, 2013	December 31, 2012
Nuvo Research America, Inc. and its subsidiaries:			
Nuvo Research US, Inc., ZARS Pharma, Inc., and ZARS (UK) Limited	**100%**	100%	100%
Dimethaid Immunology Inc.	**100%**	100%	100%
Nuvo Research AG and its subsidiaries:			
Nuvo Manufacturing GmbH and Nuvo Research GmbH	**100%**	100%	100%

All significant inter-company balances and transactions have been eliminated upon combination.

Foreign Currency Translation

Entities included in the Combined Financial Statements each determine their functional currency based on the currency of the primary economic environment in which they operate. The functional currency of the Company's corporate operations is the Canadian dollar, while the functional currencies of the Company's foreign operations are either the U.S. dollar or the euro.

(i) Transactions

Transactions denominated in a currency other than the functional currency of an entity are translated at exchange rates prevailing at the time the transaction occurred. The resulting exchange gains and losses are included in each entity's net loss in the period in which they arise.

(ii) Translation into presentation currency

The Company's foreign operations are translated to the Company's presentation currency, which is the Canadian dollar, for inclusion in the Combined Financial Statements. Foreign denominated monetary and non-monetary assets and liabilities of foreign operations are translated at exchange rates in effect at the end of the reporting period and revenue and expenses are translated at the average exchange rate for the period (as this is considered a reasonable approximation to actual rates). The resulting translation gains and losses are included in other comprehensive income (OCI) with the cumulative gain or loss reported in accumulated other comprehensive income (AOCI).

When the Company disposes of its entire interest in a foreign operation or loses control or influence over a foreign operation, the foreign currency gains or losses in AOCI related to the foreign operation are recognized in income or loss. If the Company disposes of part of an interest in a foreign operation but retains control, the proportionate amount of foreign currency gains or losses in AOCI related to the foreign operation are reallocated between controlling and non-controlling interests.

Cash

Cash is comprised of cash on hand and current balances with banks and similar institutions. They are readily convertible into known amounts of cash and have an insignificant risk of changes in value. Cost approximates fair value.

Inventories

Inventories are comprised of raw materials, work-in-process and finished goods. Raw materials are stated at the lower of cost and replacement cost with cost determined on a first-in, first-out basis. Manufactured inventory (finished goods and work-in-process) is valued at the lower of cost and net realizable value determined on a first-in, first-out basis. Manufactured inventory cost includes the cost of raw materials, direct labour, an allocation of overhead and the cost to acquire finished goods. The Company monitors the shelf life and expiry of finished goods to determine when inventory values are not recoverable and a write-down is necessary.

Property, Plant and Equipment

Property, plant and equipment (PP&E) is recorded at cost. The Company allocates the amount initially recognized in respect of an item of PP&E to its significant parts and amortizes separately each such part. Depreciation of PP&E is provided for over the estimated useful lives from the date the assets becomes available for use as follows:

Buildings	10 to 25 years	Straight line
Leasehold improvements	Term of lease	Straight line
Furniture and fixtures	5 years	Straight line
Computer equipment and software	1 to 3 years	Straight line
Production, laboratory and other equipment	3 to 5 years	Straight line

Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Intangible Assets

Intangible assets acquired in a business combination are recognized separately from goodwill at their fair value at the date of acquisition, which is considered to be cost. Intangible assets consist of the costs to acquire intellectual property under a business acquisition. Amortization commences when the intangible asset is available for use and for patented assets is computed on a straight-line basis over the intangible asset's estimated useful life, which cannot exceed the lesser of the remaining patent life and 20 years.

Impairment of Non-Financial Assets

The Company reviews the carrying value of non-financial assets for potential impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (or CGUs). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount.

Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Company. All other leases are classified as operating leases.

Financial Instruments
All financial instruments are classified into one of the following five categories: fair value through profit or loss (FVTPL), held-to-maturity investments, loans and receivables, available-for-sale assets or other financial liabilities. All financial instruments, including derivatives, are included on the Combined Statements of Financial Position and are measured at fair market value upon inception. Subsequent measurement and recognition of changes in the fair value of financial instruments depends on their initial classification. FVTPL financial instruments are measured at fair value and all gains and losses are included in operations in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in OCI until the asset is removed from the Combined Statements of Financial Position. Loans and receivables, instruments held to maturity and other financial liabilities are measured at amortized cost using the effective interest method. Gains and losses upon inception, impairment write-downs and foreign exchange translation adjustments are recognized immediately.

The Company classifies its financial instruments as follows:

- Cash and accounts receivable are classified as loans and receivables and are measured at amortized cost. Interest income is recorded in net income (loss), as applicable.
- Accounts payable and accrued liabilities and other long-term obligations are classified as other financial liabilities and are measured at amortized cost using the effective interest method. Interest expense is recorded in net income (loss), as applicable.

Financing costs associated with the issuance of debt are netted against the related debt and are deferred and amortized over the term of the related debt using the effective interest method.

Impairment of Financial Assets
At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss. For financial assets carried at amortized cost, the loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying value of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

Comprehensive Income (Loss)
Comprehensive income (loss) is the change in equity from transactions and other events and circumstances from non-shareholder sources. Other comprehensive income (loss) refers to items recognized in comprehensive income (loss), but that are excluded from net income (loss) calculated in accordance with IFRS. The resulting changes from translating the financial statements of foreign operations to the Company's presentation currency of Canadian dollars are recognized in comprehensive income (loss) for the year.

Revenue Recognition
The Company recognizes revenue from product sales and licensing arrangements which may include multiple elements. Revenue arrangements with multiple elements are reviewed in order to determine whether the multiple elements can be divided into separate units of accounting, if certain criteria are met. If separable, the consideration received is allocated amongst the separate units of accounting based on their respective fair values and the applicable revenue recognition criteria is applied to each of the separate units. If not separable, the applicable revenue recognition criteria is applied to combined elements as a single unit of accounting.

Product Sales
Revenue from product sales is recognized upon shipment of the product to the customer, provided transfer of title to the customer occurs upon shipment and provided the Company has not retained any significant risks of ownership or future obligations with respect to the product shipped, the price is fixed and determinable and collection is reasonably assured. Where applicable, revenue from product sales is recognized net of reserves for estimated sales discounts and allowances, returns, rebates and chargebacks.

Royalties
Revenue arising from royalties is recognized when reasonable assurance exists regarding measurement and collectability. Royalties are typically calculated as a percentage of net sales realized by the Company's licensees of its products (including their sublicensees), as specifically defined in each agreement. The licensees' sales generally consist of revenues from product sales of the Company's pharmaceutical products and net sales are determined by deducting the following: estimates for chargebacks, rebates, sales incentives and allowances, returns and losses and other customary deductions in each region where the Company has licensees. While the Company receives royalty payments quarterly, it can only recognize the amounts as revenue when reasonable assurance exists regarding measurement and collectability. Royalty revenue from the launch of a product in a new territory, for which the Company or its licensee are unable to develop the requisite historical data on which to base estimates of returns, may be deferred until such time that a reasonable estimate can be made and once the product has achieved market acceptance. Any royalty payments received or receivable in advance of when they would be recognized as revenue are recorded in deferred revenue.

Licensing and Collaboration Arrangements
The Company may enter into licensing and collaboration agreements for product development, licensing, supply and distribution for its commercial products and product pipeline. The terms of the agreements may include non-refundable signing and licensing fees, milestone payments and royalties on any product sales derived from collaborations. These multiple element arrangements are analyzed to determine whether the deliverables can be separated or whether they must be accounted for as a single unit of accounting. License fees are recognized as revenue when persuasive evidence of an arrangement exists, the fee is fixed or determinable, delivery or performance has been substantially completed and collection is reasonably assured. If there are no substantive performance obligations over the life of the contract, the up-front non-refundable payment is recognized when the underlying performance obligation is satisfied. If substantive contractual obligations are satisfied over time or over the life of the contract, revenue may be deferred and recognized over the performance. The term over which upfront fees are recognized is revised if the period over which the Company maintains substantive contractual obligations changes.

Milestone payments are immediately recognized as licensing revenue when the condition is met, if the milestone is not a condition to future deliverables and collectability is reasonably assured. Otherwise, they are recognized over the remaining term of the agreement or the performance period.

Research and Development
Research costs, other than capital expenditures, are charged to operations as incurred. Expenditures on internally developed products are capitalized if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Company is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Development expenses are charged to operations as incurred unless such costs meet the criteria for deferral and amortization. No development costs have been deferred to date.

Government Assistance
Government assistance received under incentive programs, including investment tax credits for qualifying research and development (R&D) activities, is accounted for using the cost reduction method; whereby, the assistance is netted against the related expense or capital expenditure to which it relates when there is reasonable assurance that the credits will be realized.

Government assistance received under reimbursement or funding programs are accounted for using the cost reduction method; whereby, a receivable is set up as the costs are incurred based on the terms of reimbursement or funding program and the expected recoveries are netted against the related expense.

Net Income or Loss Per Common Share
Basic net income or loss per common share is calculated using the weighted average number of common shares outstanding during the year. The shareholders of Nuvo will receive one common share of Crescita for one common share of Nuvo. Accordingly, the weighted average number of shares used is the weighted average number of common shares of Nuvo for the respective year.

Diluted net income or loss per common share is calculated assuming the weighted average number of common shares outstanding during the year is increased to include the number of additional common shares that would have been outstanding if the dilutive potential shares had been issued. The dilutive effect of warrants, stock options and performance share units is determined using the treasury-stock method. The treasury-stock method assumes that the proceeds from the exercise of warrants and options are used to purchase common shares at the volume weighted average market price during the year. The dilutive effect of convertible securities is determined using the “if-converted” method. The “if-converted” method assumes that the convertible securities are converted into common shares at the beginning of the period and all income charges related to the convertible securities are added back to income. Diluted loss per share has not been presented separately as the outstanding warrants, stock options and performance share units are anti-dilutive for each year presented.

Income Taxes
Current and deferred income taxes and income tax expense have been recorded in the Combined Financial Statements as though Crescita was a separate taxable entity, using a standalone taxpayer approach.

Income taxes on income or loss include current and deferred taxes. Income taxes are recognized in income or loss except to the extent that they relate to business combinations or items recognized directly in equity or in OCI. Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date and any adjustment to taxes payable in respect of previous years. The Company is subject to withholding taxes on certain forms of income earned under its in-licensing agreements from foreign jurisdictions.

Deferred tax is generally recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted in the relevant jurisdiction by the reporting date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability in the Combined Statements of Financial Position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries, branches and associates, and interests in joint ventures where the Company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent probable that future taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable the related tax benefit will be realized.

Stock-Based Compensation and Other Stock-Based Payments
Certain employees of Crescita participate in Nuvo's stock-based compensation plans. Nuvo's costs allocated to Crescita include an amount related to stock-based compensation.

Nuvo has five stock-based compensation plans for which compensation expense is allocated to Crescita: the Share Option Plan, the Share Purchase Plan and the Share Bonus Plan, each a component of Nuvo's Amended and Restated Share Incentive Plan, the Deferred Share Unit Plan for employees and the Stock Appreciation Rights Plan. All are described in Note 9.

Share Incentive Plan
The Company measures and recognizes compensation expense for the Share Incentive Plan based on the fair value of the common shares or options issued.

Under the Share Option Plan, Nuvo issues either fixed awards or performance based options. Options vest either immediately upon grant or over a period of one to four years or upon the achievement of certain performance related measures or milestones. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting period based on the number of awards expected to vest, by increasing Nuvo's contributed surplus.

Under the Share Purchase Plan, the fair value of Nuvo's matching contribution, determined based upon the volume weighted average price (VWAP) of Nuvo's common shares, is recorded as compensation expense and is included in stock-based compensation expense.

Under the Share Bonus Plan, the fair value of the direct award of common shares, determined based upon the trading price of Nuvo's common shares, is recorded as compensation expense and is included in stock-based compensation expense.

Performance Share Unit Plan
A Performance Share Unit (PSU) issued to an employee under the Share Bonus Plan provides an employee with an opportunity to earn common shares of Nuvo, if certain predefined annual corporate non-market performance objectives for Nuvo (PSU Objectives) are achieved. If these PSU Objectives are achieved, the PSUs are earned by the employee (Earned PSUs). Each Earned PSU then vests over the two calendar years subsequent to the year in which the PSU Objectives were achieved in three equal installments. At each vesting date, one Nuvo common share is issued to the employee for each vesting PSU.

Upon the issuance of PSUs to an employee, Nuvo must calculate the fair value of the grant (PSU Grant Value) by estimating the number of PSUs that will become Earned PSUs and determine the fair value of each of these PSUs. For each PSU that is anticipated to become an Earned PSU, the fair value is determined using the market price of the underlying Nuvo common shares on the grant date. This value is amortized to income as compensation expense over the relevant vesting period. At each subsequent reporting date prior to final determination of whether a PSU becomes an Earned PSU, management must make an estimate of the number of PSUs expected to be earned by the employees based on the PSU Objectives and, if necessary, adjust the PSU Grant Value accordingly.

Deferred Share Unit Plan
Under the Deferred Share Unit (DSU) Plan, Nuvo issues DSUs to employees based on their elected portion of quarterly earnings they wish to receive in units of the DSU Plan. DSUs are intended to be settled in cash. Upon issuance, the fair value of the DSUs is recorded as compensation expense and at all subsequent reporting dates, movements in fair value are charged or credited to compensation expense.

Stock Appreciation Rights Plan
Stock Appreciation Rights (SARs) are issued to officers, employees or designated affiliates to provide incentive compensation based on the appreciation in value of Nuvo's common shares. Under the SARs Plan, participants receive, upon vesting, a cash amount equal to the difference between the SARs' fair market value and the grant price value, also known as the intrinsic value. Fair market value is determined by the closing price of Nuvo's common shares on the Toronto Stock Exchange (TSX) on the day preceding the exercise date. SARs vest in tranches prescribed at the grant date, and each tranche is considered a separate award with its own vesting period and fair value. Until SARs vest, compensation expense is measured based on the fair value of the SARs at the end of each reporting period, using the Black-Scholes option pricing model. The fair value of the liability is remeasured at the end of each reporting date and adjusted at the settlement date, when the intrinsic value is realized.

Net Investment
Nuvo's investment in the operations of Crescita is presented as Total Net Investment in the Combined Financial Statements. Owner's net investment represents capital invested, accumulated net earnings of the operations (less the accumulated net distributions to Nuvo).

Accounting Standards Adopted
During the three year period, the Company adopted the following: IFRS 10 *Consolidated Financial Statements,* IFRS 12 *Disclosure of Interests in Other Entities,* IFRS 13 *Fair Value* Measurements, IAS 1 *Presentation of Financial Statements: Other Comprehensive Income,* IAS 27 *Separate Financial Statements,* IAS 28 *Investments in Associates and Joint Ventures,* IAS 32 *Offsetting Financial Assets and Liabilities* and IAS 36 *Impairment of Assets,* and there was no material impact on these Combined Financial Statements.

Accounting Standards Issued But Not Yet Applied
Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRS Interpretations Committee (IFRIC) that are mandatory for fiscal periods beginning on January 1, 2015 or later. The standards that may be applicable to the Company are as follows:

IFRS 9 – Financial Instruments
In October 2010, the IASB issued IFRS 9 *Financial Instruments* which replaces IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. This new standard is effective for annual and interim periods commencing on or after January 1, 2018. The Company is in the process of reviewing the standard to determine the impact on the Combined Financial Statements.

IFRS 15 – Revenue from Contracts with Customers
In May 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers* which covers principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 with earlier adoption permitted. Entities will transition following either a full or modified retrospective approach. The Company is in the process of reviewing the standard to determine the impact on the Combined Financial Statements.

Other accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates, are either not applicable or are not expected to have a significant impact on the Company's financial statements.

The Company is currently assessing the impact of adoption of future standards on its Combined Financial Statements, but does not anticipate significant changes in 2015.

4. INVENTORIES

Inventories consist of the following as at:

	December 31, 2014	December 31, 2013	December 31, 2012
	$	$	$
Raw materials	**39**	21	21
Work-in-process	**111**	73	116
Finished goods	**268**	288	106
	418	382	243

During the year ended December 31, 2014, inventories in the amount of $0.3 million [December 31, 2013 - $0.2 million, December 31, 2012 - $0.2 million] were recognized in cost of goods sold. During the year ended December 31, 2014, $54 (€38) of finished goods were written down [December 31, 2013 - $nil, December 31, 2012 - $nil] and there were no reversals

of prior write downs during the year ended December 31, 2014 [December 31, 2013 - $14 (€10), December 31, 2012 - $11 (€9)]. All inventories relate to the Immunology Group.

5. OTHER CURRENT ASSETS

Other current assets consist of the following as at:

	December 31, 2014	December 31, 2013	December 31, 2012
	$	$	$
Other receivables[(i)]	**436**	242	198
Deposits	**2**	3	3
	438	245	201

(i) Includes $223 [December 31, 2013 - $219, December 31, 2012 - $181] related to R&D expenditures which the Company is eligible for reimbursement under funding agreements with the Development Bank of Saxony (SAB) for the development of WF10 related projects. The amounts reimbursed are included in R&D expenses.

6. PROPERTY, PLANT AND EQUIPMENT

PP&E consists of the following as at:

	Buildings	**Leasehold Improvements**	**Furniture and Fixtures**	**Computer Equipment and Software**	**Production Laboratory and Other Equipment**	**Total**
Cost	**$**	**$**	**$**	**$**	**$**	**$**
Balance, December 31, 2011	807	174	216	815	234	2,246
Foreign exchange movements	(5)	(1)	-	(1)	(2)	(9)
Additions	-	-	3	33	4	40
Balance, December 31, 2012	802	173	219	847	236	2,277
Foreign exchange movements	94	4	7	4	27	136
Additions	-	-	-	1	19	20
Disposals	-	(64)	(12)	(4)	-	(80)
Balance, December 31, 2013	896	113	214	848	282	2,353
Foreign exchange movements	(38)	-	(2)	(2)	(8)	(50)
Additions	-	-	-	35	8	43
Balance, December 31, 2014	**858**	**113**	**212**	**881**	**282**	**2,346**
Accumulated depreciation						
Balance, December 31, 2011	774	131	204	679	157	1,945
Foreign exchange movements	(5)	-	-	-	(1)	(6)
Depreciation expense	33	19	6	75	22	155
Balance, December 31, 2012	802	150	210	754	178	2,094
Foreign exchange movements	94	3	6	3	22	128
Depreciation expense	-	18	7	58	23	106
Disposals	-	(58)	(10)	(4)	-	(72)
Balance, December 31, 2013	896	113	213	811	223	2,256
Foreign exchange movements	(38)	-	(2)	(1)	(8)	(49)
Depreciation expense	-	-	-	25	24	49
Balance, December 31, 2014	**858**	**113**	**211**	**835**	**239**	**2,256**
NBV as at December 31, 2012	-	23	9	93	58	183
NBV as at December 31, 2013	-	-	1	37	59	97
NBV as at December 31, 2014	**-**	**-**	**1**	**46**	**43**	**90**

7. INTANGIBLE ASSETS

Intangible assets consist of the following as at:

	Pliaglis Intellectual Property
Cost	**$**
Balance, December 31, 2011	15,434
Foreign exchange movements	(337)
Balance, December 31, 2012	15,097
Foreign exchange movements	1,044
Balance, December 31, 2013	16,141
Foreign exchange movements	1,465
Balance, December 31, 2014	**17,606**
Accumulated amortization	
Balance, December 31, 2011	-
Foreign exchange movements	37
Impairment charge	7,176
Balance, December 31, 2012	7,213
Foreign exchange movements	697
Impairment charge	6,098
Amortization expense	783
Balance, December 31, 2013	14,791
Foreign exchange movements	1,362
Amortization expense	251
Impairment charge	1,202
Balance, December 31, 2014	**17,606**
NBV as at December 31, 2012	7,884
NBV as at December 31, 2013	1,350
NBV as at December 31, 2014	**-**

Intangible assets were acquired from the acquisition of ZARS Pharma, Inc. (ZARS) in 2011.

Pliaglis has been commercialized in several markets and amortization of the Company's intellectual properties would have continued until their current patents expired in September 2019 for Pliaglis if it had not been fully impaired as at December 31, 2014. For the year ended December 31, 2014, $251 of amortization was included in general and administrative (G&A) expenses in the Combined Statements of Loss and Comprehensive Loss [December 31, 2013 - $783]. In the year ended December 31, 2012, the Pliaglis intellectual property was not amortized as the product was not commercially launched.

Impairment of Intangible Assets and Goodwill

The Company reviewed the carrying values of the intangible assets for potential impairment as at December 31, 2014 as sales for Pliaglis were not meeting expectations. Commercial strategies for the product produced revenues that were lower than expected, and the costs to maintain the intellectual property and regulatory commitments exceeded royalties earned. Indications for impairment did exist, and management determined that the asset was impaired, such that the recoverable amount was lower than the carrying amount. The recoverable amount and value in use (being the present value of expected future cash flows) was calculated using best estimates for future periods based on discussions with licensing partners, knowledge of historical results and expectations for the future, net of direct costs forecasted by management, assuming declining revenues, discounted at an after-tax rate of 19% which approximated the Company's current weighted average cost of capital. For the year ended December 31, 2014, the Company recorded an impairment charge related to the Pliaglis intangible asset in the amount of $1,202 which was recorded in impairment of intangible assets and goodwill in the Combined Statements of Loss and Comprehensive Loss. The remaining net carrying amount was $nil.

For the year ended December 31, 2013, the Company reviewed the carrying values of the intangible assets for potential impairment as at December 31, 2013, as the launch of Pliaglis did not meet expectations. Management determined that the asset was impaired, such that the recoverable amount was lower than the carrying amounts. Consistent with the current year approach, the recoverable amount and value in use (being the present value of expected future cash flows) was calculated using licensing partner revenue forecasts, net of direct costs forecasted by management, discounted at an after-tax rate of

15% which approximated the Company's weighted average cost of capital for the period. For the year ended December 31, 2013, the Company recorded an impairment charge related to the Pliaglis intangible asset in the amount of $6,098, which was recorded in impairment of intangible assets and goodwill in the Combined Statements of Loss and Comprehensive Loss.

The Company reviewed the carrying values of the intangible assets for potential impairment as at December 31, 2012 as the launch of Pliaglis did not meet expectations. Indications for impairment did exist and management determined that both the goodwill and intangible assets were impaired such that recoverable amounts were lower than the carrying amounts. The recoverable amount and value in use (being the present value of expected future cash flows) was calculated using licensing partner revenue forecasts, net of direct costs forecasted by management, discounted at an after-tax rate of 15% which approximated the Company's current weighted average cost of capital. For the year ended December 31, 2012, the Company recorded a goodwill and intangible asset impairment charge for Pliaglis of $7,176, which was recorded in impairment of intangible assets and goodwill in the Combined Statement of Loss and Comprehensive Loss.

Goodwill was previously generated on the acquisition of ZARS. As at December 31, 2012, the recoverable amount was less than its carrying amount, and the entire goodwill amount of $4,377 was written off.

8. OTHER OBLIGATIONS

Other obligations consist of the following as at:

	December 31, 2014	December 31, 2013	December 31, 2012
	$	$	$
Long-term consulting agreement from acquisition of non-controlling interest	**326**	408	471
Less current portion	**138**	109	89
Long-term balance	**188**	299	382

In December 2011, the Company increased its ownership in Nuvo Research AG to 100% by acquiring the 40% interest held by the minority owner. The consideration transferred to the non-controlling interest included a 5-year, US$150 per annum consulting agreement with the former minority shareholder, discounted at 15.5% and fair valued at US$519 ($528).

The future payments on the consulting obligation are as follows for the years ending December 31:

	$
2015	174
2016	174
2017	29
Total payments	377
Less amount representing interest (approximately 15.5%)	(51)
Present value of obligation, including accretion	326
Less current portion	138
Long-term balance	188

9. STOCK-BASED COMPENSATION AND OTHER STOCK-BASED PAYMENTS

Certain employees of Crescita participate in Nuvo's stock-based compensation plans. Stock-based compensation has been allocated to Crescita primarily based on proportionate time spent on Crescita's and Nuvo's respective activities. The following is a summary of Nuvo's stock-based compensation activity for the last three years which should be read in conjunction with Nuvo Research Inc. Consolidated Financial Statements for the years ended December 31, 2014, December 31, 2013 and December 31, 2012:

Share Incentive Plan
Under Nuvo's Share Incentive Plan, there are three sub plans: the Share Purchase Plan, the Share Option Plan and the Share Bonus Plan.

Share Option Plan
Under the Share Option Plan, Nuvo may grant options to purchase common shares to officers, directors, employees or consultants of Nuvo or its affiliates. Options issued under the Share Option Plan are granted for a term not exceeding ten years from the date of grant. All options issued to-date have a life of ten years. In general, options have vested either immediately upon grant or over a period of one to four years or upon the achievement of certain performance related measures or milestones. Under the provisions of the Share Option Plan, the exercise price of all stock options shall not be less than the closing price of the common shares on the last trading date immediately preceding the grant date of the option.

As at December 31, 2014, the number of options available and reserved for issue was 176,134.

The following is a schedule of Nuvo's options outstanding as at:

	Number of Options	Exercise Price Range	Weighted Average Exercise Price
	000s	$	$
Balance, December 31, 2011	656	5.53 - 201.50	11.70
Granted	173	5.20 - 6.50	6.42
Forfeited	(73)	5.53 - 201.50	12.35
Balance, December 31, 2012	756	5.20 - 130.65	9.75
Granted	126	1.96	1.96
Forfeited	(96)	5.20 - 25.35	8.19
Expired	(1)	130.65	130.65
Balance, December 31, 2013	785	1.96 - 37.05	8.91
Granted	212	3.39	3.39
Exercised [(i)]	(15)	1.96	1.96
Forfeited	(32)	5.53 - 13.00	7.09
Expired	(63)	19.50 - 37.05	20.61
Balance, December 31, 2014	**887**	**1.96 - 24.05**	**6.93**

(i) The weighted average share price for the options exercised in 2014 was $6.92. No options were exercised in 2013 or 2012.

The following table summarizes the outstanding and exercisable options held by directors, officers, employees and consultants of Nuvo as at December 31, 2014:

	Outstanding			Exercisable	
Exercise Price Range	Number of Options	Remaining Contractual Life	Weighted Average Exercise Price	Vested Options	Weighted Average Exercise Price
$	(000s)	(years)	$	(000s)	$
1.96 – 5.53	383	8.8	3.31	123	3.51
6.50 – 8.78	334	4.7	7.72	264	8.05
11.05 – 24.05	170	2.2	13.54	170	13.54
	887	**6.0**	**6.93**	**557**	**8.72**

The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Options are valued with a calculated forfeiture rate of 7.0% [December 31, 2013 - 7.0% and December 31, 2012 - 7%], and the remaining model inputs for options granted during the years ended December 31, 2014, 2013 and 2012 were as follows:

Options (000s)	Grant Date	Share Price $	Exercise Price $	Risk-free Interest Rate %	Expected Life (years)	Volatility Factor %	Fair Values $
10	March 6, 2012	5.53	5.20	1.1 - 1.3	2 - 5	59 - 73	1.76 - 3.12
163	March 29, 2012	6.18	6.50	1.1 - 1.3	2 - 5	60 - 73	2.15 – 3.84
126	December 20, 2013	1.96	1.96	1.1	1 - 3	72 - 78	0.58 – 0.93
212	May 6, 2014	3.20	3.39	1.1 - 1.4	2 - 5	71 - 78	1.26 – 1.85

Share Purchase Plan

Under the Share Purchase Plan, eligible officers, employees or consultants of Nuvo or its affiliates may contribute up to 10% of their annual base salary to the plan to purchase Nuvo common shares. Nuvo matches each participant's contribution by issuing Nuvo common shares having a value equal to the aggregate amount contributed by each participating employee.

Share Bonus Plan

A PSU provides an employee with an opportunity to earn common shares of Nuvo if certain PSU objectives are achieved. If these PSU objectives are achieved, the PSUs are Earned PSUs. Each Earned PSU then vests over the subsequent two calendar years in three equal instalments. One PSU has a value equal to one Nuvo common share.

The following table summarizes the PSUs earned by employees of Nuvo as at:

	Number of PSUs (000s)
Balance, December 31, 2011	42
Common shares issued	(23)
Unearned units	(25)
Granted	48
Balance, December 31, 2012	42
Common shares issued	(29)
Units forfeited	(2)
Balance, December 31, 2013	11
Common shares issued	(11)
Balance, December 31, 2014	**-**

Deferred Share Unit Plan

Directors
On January 1, 2009, Nuvo established the DSU Plan, a share-based compensation plan for non-employee directors. Under the DSU Plan, non-employee directors can be allotted and can elect to receive a portion of their annual retainers and other Board-related compensation in the form of DSUs. One DSU has a cash value equal to the market price of one of Nuvo's common shares and the number of DSUs issued to a director's DSU account for any payment is determined using the five-day VWAP of Nuvo's common shares immediately preceding the payment date.

Employees
On June 18, 2013, Nuvo established an employee DSU Plan that allows employees to elect to have a portion of their quarterly earnings issued in units of the DSU Plan. Consistent with non-employee directors, one DSU has a cash value equal to the market price of one of Nuvo's common shares. The number of units to be credited to an employee will be calculated by dividing the elected portion of the compensation payable to the employee by the five-day VWAP of Nuvo's common shares immediately preceding the close of each quarter.

Upon issuance, the fair value of the DSUs is recorded as compensation expense and the DSU accrual is established. At all subsequent reporting dates, the DSU accrual is adjusted to the market value of the underlying shares and the adjustment is recorded as compensation cost. Within a specified time after retirement or termination, non-employee directors and employees receive a cash payment equal to the market value of their DSUs.

The following table summarizes Nuvo's outstanding DSUs and related accrual as at:

	Number of DSUs 000s	Market Values $	Accrual $
Balance, December 31, 2012	52	3.90	202
Issued for employee compensation	97	1.93 – 2.03	162
Issued for directors' fees	59	1.93 – 3.57	193
Adjustment to market value	-	-	(108)
Balance, December 31, 2013	208	2.15	449
Issued for employee compensation	104	2.59 – 6.93	391
Issued for directors' fees	83	2.03 – 6.93	223
Adjustment to market value	-	-	1,707
Balance, December 31, 2014	**395**	**7.00**	**2,770**

As at December 31, 2014, a DSU accrual of $707 was included in Crescita's accounts payable and accrued liabilities [December 31, 2013 - $105 and December 31, 2012 - $nil].

Stock Appreciation Rights Plan

On October 30, 2013, Nuvo established the SARs Plan for officers, employees or designated affiliates to provide incentive compensation based on the appreciation in value of Nuvo's common shares. Under the SARs Plan, participants receive, upon vesting, a cash amount equal to the difference between the SARs' fair market value and the grant price value, also known as the intrinsic value. Fair market value is determined by the closing price of Nuvo's common share on the TSX on the day preceding the exercise date. SARs vest in tranches prescribed at the grant date and each tranche is considered a separate award with its own vesting period and grant date fair value. Until SARs vest, compensation expense is measured based on the fair value of the SARs at the end of each reporting period, using the Black-Scholes option pricing model. The fair value of the liability is remeasured at the end of each reporting date and adjusted at the settlement date, when the intrinsic value is realized. The SARs accrual is included in accounts payable and accrued liabilities.

Fair values of each tranche issued and outstanding in each year were measured at December 31, 2014 and 2013, (2012 not applicable) using the Black-Scholes option pricing model with the following inputs:

December 31, 2014

SARs (000s)	Grant Date	Exercise Price $	Risk-free Interest Rate %	Expected Life (years)	Volatility Factor %	Fair Values $
606	October 30, 2013	1.85	1.02	1 - 2	79 - 81	5.15 – 5.38
318	April 4, 2014	3.39	1.02 - 1.32	1 - 3	78 - 81	3.61 – 4.77

December 31, 2013

SARs (000s)	Grant Date	Exercise Price $	Risk-free Interest Rate %	Expected Life (years)	Volatility Factor %	Fair Values $
694	October 30, 2013	1.85	1.1 - 1.5	1 - 4	72 - 75	0.76 – 1.11

The following table summarizes Nuvo's outstanding SARs as at:

	Number of SARs 000s	Fair Values $	Accrual $
Balance, December 31, 2012	-	-	-
Granted	694	0.76 - 1.11	57
Forfeited	(88)	0.76 - 1.11	(7)
Balance, December 31, 2013	606	0.76 - 1.11	50
Granted	318	0.40 - 1.42	36
Adjustment to market value	-	-	2,790
Balance, December 31, 2014	**924**	**3.61 - 5.38**	**2,876**

As at December 31, 2014, a SARs accrual of $1,224 was included in Crescita's accounts payable and accrued liabilities (December 31, 2013 - $21 and December 31, 2012 - $nil).

Summary of Stock-Based Compensation

The Nuvo corporate costs allocated to Crescita included an amount representing stock-based compensation expense. The following is a summary of Nuvo's stock-based compensation expense allocated to Crescita:

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
	$	$	$
Stock option compensation expense under the Share Option Plan	**168**	95	182
Shares issued to employees under Share Purchase Plan	**63**	35	31
DSUs – issued for employee compensation	**195**	97	-
DSUs – adjustment to market value	**407**	8	-
PSU compensation expense under the Share Bonus Plan	**14**	55	115
SARs compensation expense	**1,654**	29	-
Stock-based compensation expense	**2,501**	319	328
Recorded in the Combined Statements of Loss and Comprehensive Loss as follows:			
Research and development expenses	**492**	75	106
General and administrative expenses	**2,009**	244	222
	2,501	319	328

The remaining Nuvo stock-based compensation expense which was not allocated to Crescita represents $3,078, $312 and $406 for the years ended December 31, 2014, 2013 and 2012.

10. LICENSING FEES

The Company holds a license agreement with Galderma, its worldwide marketing partner for Pliaglis (see Note 23 – Subsequent Event – Pliaglis North American Rights Reacquisition). During the year ended December 31, 2013, Galderma received marketing approval for Pliaglis in Brazil, which entitled Nuvo to receive a US$2.0 million milestone payment ($2.1 million). The milestone payment was due on the earlier of the launch of Pliaglis in Brazil or six months from the date of marketing approval. During 2012, Galderma received ten Pliaglis marketing licenses from E.U. countries of which the first three entitled the Company to earn a total of US$6.0 million ($6.2 million) of milestone payments. The Company also recognized $0.7 million related to the licensing arrangements with Galderma for Pliaglis.

Pliaglis is currently approved for sale and marketing in 16 E.U. countries, the U.S, Argentina, Canada and Brazil.

11. GAIN ON ZARS CONTINGENT CONSIDERATION

Under the terms of the acquisition of ZARS, a portion of the consideration was based on the achievement of predefined milestones. The achievement of these milestones would result in the issuance of additional common shares to the former ZARS shareholders (ZARS Contingent Consideration). The ZARS Contingent Consideration was originally structured as promissory notes payable to the former shareholders of ZARS, but allowed Nuvo to seek shareholder approval for the issuance of additional shares, in lieu of the promissory notes. Nuvo's shareholders approved the conversion of the promissory notes payable into contingent shares at Nuvo's Annual and Special Meeting of Shareholders on June 21, 2011. The Company accounted for this conversion by derecognizing the liability related to the promissory notes and recording the value of the potentially issuable shares in liabilities. At each reporting period, the outstanding ZARS Contingent Consideration liability was revalued based on Nuvo's share price and the probability of the contingent consideration milestones being achieved. As at December 31, 2011, the ZARS Contingent Consideration liability was valued at $2.3 million. As at December 31, 2012, the milestones related to the outstanding contingent consideration were not achieved; therefore, the liability of $2.3 million was derecognized and a corresponding gain was recognized in the Combined Statements of Loss and Comprehensive Loss.

12. NET LOSS PER COMMON SHARE

Net loss per common share is computed as follows:

(in thousands, except per share and share figures)	**Year ended December 31, 2014**	Year ended December 31, 2013	Year ended December 31, 2012
Basic and diluted loss per share:			
Net loss	**$(14,601)**	$(14,275)	$(10,685)
Weighted average number of Nuvo common shares outstanding during the year	**10,023**	8,841	8,825
Basic and diluted loss per common share	**$ (1.46)**	$ (1.61)	$ (1.21)

13. EXPENSES BY NATURE

The Combined Statements of Loss and Comprehensive Loss include the following expenses by nature:

(a) Employee costs:

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
	$	$	$
Short-term employee wages, bonuses and benefits	**4,234**	5,084	4,822
Share-based payments (Note 9)	**2,501**	319	328
Post-employment benefits	**14**	15	27
Termination benefits	**36**	665	20
Total employee costs	**6,785**	6,083	5,197
Included in:			
Cost of goods sold	**43**	28	34
Research and development expenses	**2,969**	3,279	2,815
General and administrative expenses	**3,773**	2,776	2,348
Total employee costs	**6,785**	6,083	5,197

(b) Depreciation and amortization:

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
	$	$	$
Research and development expenses	**23**	31	62
General and administrative expenses [(i)]	**277**	858	93
Total depreciation and amortization	**300**	889	155

(i) G&A expenses include $251 of amortization of intangible assets for the year ended December 31, 2014 [December 31, 2013 - $783, December 31, 2012 - $nil].

14. NET CHANGE IN NON-CASH WORKING CAPITAL

The net change in non-cash working capital consists of:

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
	$	$	$
Accounts receivable	**2,222**	(798)	(1,178)
Inventories	**(108)**	(89)	39
Other current assets	**(203)**	(21)	113
Accounts payable and accrued liabilities	**1,680**	610	(786)
Net change in non-cash working capital	**3,591**	(298)	(1,812)

15. INCOME TAXES

Deferred Tax Assets and Liabilities

Deferred income taxes represent the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The following represents deferred tax assets that have not been recognized in these Combined Financial Statements:

	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
	$	$	$
Non-capital loss carryforwards	**16,356**	13,552	11,871
U.S. Federal and State research and development credits	**1,352**	1,240	1,047
Tax basis of property, plant and equipment and intangible assets in excess of accounting value	**19**	27	33
Deferred tax assets not recognized	**17,727**	14,819	12,951

A reconciliation between the Company's statutory and effective tax rates is presented below**:**

	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
	%	%	$
Statutory rate	**26.6**	26.6	26.6
Items not deducted for tax	**(4.6)**	(0.6)	4.9
Impact of foreign income tax rate differential	**(2.1)**	6.1	13.7
Revaluation of deferred taxes as a result of enacted tax rate changes and other	**7.1**	6.7	(0.2)
Losses not benefitted	**(27.0)**	(39.9)	(55.4)
Utilization of Canadian losses not recognized by Nuvo	**-**	1.1	10.4

Loss Carryforwards

The legal entities comprising Crescita have non-capital losses available for carryforward to reduce future years' taxable income, the benefit of which has not been recorded. These losses and the related future tax assets by jurisdiction are as follows:

	Expiry Period	**Non-capital losses**	**Deferred tax asset**
		$	**$**
Canada	2034	-	-
United States	2025	24	9
United States [(i)]	2023 to 2029	7,635	3,042
United States	2026 to 2034	24,874	9,908
Switzerland	2015 to 2021	13,411	1,301
Germany	Indefinite	7,227	2,096
		53,171	16,356

(i) These U.S. losses carried forward relate to the unrestricted portion of the losses acquired upon the purchase of ZARS in 2011. The Company has $32.1 million of U.S. losses carried forward relating to the portion of the acquired losses that are restricted due to the change in control, and therefore are not included in the table.

The non-capital losses and related deferred tax assets reported in the table above represent amounts reported for tax purposes by the legal entities comprising Crescita and, accordingly, both (a) exclude costs reported in these Combined Financial Statements that were reported for tax purposes by Nuvo, and (b) include costs reported for tax purposes by the legal entities comprising Crescita that were not reported in these Combined Financial Statements.

16. COMMITMENTS

The Company has commitments under research and other service contracts and minimum future rental payments under operating leases for the twelve months ending December 31 as follows:

	Research and Other Service Contracts	Operating Leases	Total
	$	$	$
2015	4,500	50	4,550
2016	-	1	1
	4,500	51	4,551

For the year ended December 31, 2014, payments under operating leases totaled $168 [December 31, 2013 - $198, December 31, 2012 - $148]. These payments include a portion of the Nuvo's corporate office lease which has been allocated to the Company.

Under certain licensing agreements, the Company may be required to make royalty payments upon the achievement of specific developmental, regulatory or commercial milestones. As it is uncertain if, and when, these milestones will be achieved, the Company did not accrue for any of these payments as at December 31, 2014, 2013 and 2012.

Under certain licensing agreements, the Company is required to make royalty payments to two companies for a combined 2.5% of annual net sales of Pliaglis.

Under the terms of a 2004 agreement and as reiterated in a 2011 agreement to purchase the non-controlling interest in Nuvo Research AG, the Company is obligated to pay 6% of future WF10 licensing and royalty revenue and 6% of proceeds received from the sale of any portion of Nuvo Research AG to the former minority partner. No amounts have been paid or are payable.

Guarantees

The Company periodically enters into research, licensing, distribution or supply 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 amount has been accrued in the accompanying Combined Financial Statements with respect to these indemnification obligations.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Values

IFRS 7 *Financial Instruments: Disclosures* requires disclosure of a three-level hierarchy that reflects the significance of the inputs used in making fair value measurements. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in 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.

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 years ended December 31, 2014, 2013 and 2012.

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 1 liabilities include obligations of the Company for the DSUs described in Note 9. One DSU has a cash value equal to the market price of one of Nuvo's common shares. Nuvo revalues the DSU liability each reporting period using the market value of the underlying shares.

Level 2 liabilities include obligations of the Company for the SARS Plan described in Note 9. The fair values of each tranche of SARs issued and outstanding is revalued by Nuvo at each reporting period using the Black-Scholes option pricing model.

As at December 31, 2014, 2013 and 2012, the fair values of all other short-term financial assets and liabilities, presented in the Combined Statements of Financial Position approximate their carrying amounts due to the short period to maturity of these financial instruments.

Rates currently available to the Company for its long-term obligation, with similar terms and remaining maturity, have been used to estimate the fair value of the long-term consulting agreement. The fair value of the long-term consulting agreement approximates its carrying value.

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
While the Company had $0.4 million in cash as at December 31, 2014, it continues to have an ongoing need for substantial capital resources to research, develop, commercialize and manufacture its products and technologies as the Company is not generating enough cash to funds its operations.

The Company has contractual obligations related to accounts payable and accrued liabilities, purchase commitments and other obligations of $8.1 million that are due in less than one year and $0.2 million of contractual obligations that are payable from 2016 to 2018.

The Company is economically dependent on and has historically relied on Nuvo for funding to support its operations. As described in Note 21, Subsequent Event – Plan to Separate Company, under the terms of the Arrangement, Nuvo will invest an estimated $35.0 million of additional funds in the Company to provide working capital. The Company anticipates that this additional investment, together with its current cash and the revenues it expects to generate from product sales and royalty payments will be sufficient to execute its current business plan for 24 months.

The future cash requirements of the Company are estimated by preparing a budget annually which is reviewed and approved by Nuvo's Board of Directors. The budget establishes the approved activities for the upcoming year and estimates the costs associated with these activities. Actual spending relative to budgeted expenditures is monitored regularly by management and reviewed by Nuvo's Board of Directors quarterly.

The Company's exposure to liquidity risk is dependent on its research and development programs and associated commitments and obligations, and the raising of capital. The Company has historically relied on funding from Nuvo to support its operations. There are no assurances that funds will be available to the Company when required.

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 and amounts receivable from global customers.

The Company manages its exposure to credit risk losses by holding cash on deposit in major financial institutions.

The Company, in the normal course of business, is exposed to credit risk from its global customers most of whom are in the pharmaceutical industry. The accounts receivable 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 and the E.U. due to potentially higher risks of enforceability and collectability. The Company attempts to manage these risks prior to the signing of distribution or licensing agreements by dealing with creditworthy customers; however, due to the limited number of potential customers in each market, this is not always possible. In addition, a customer's creditworthiness may change subsequent to becoming a licensee or distributor and the terms and conditions in the agreement may prevent the Company from seeking new licensees or distributors in these territories during the term of the agreement.

As at December 31, 2014, 94% of accounts receivable, excluding milestone payments, related to customers outside North America and the E.U. [December 31, 2013 - 100% and December 31, 2012 - 98%].

Interest Rate Risk
The Company is not subject to significant interest rate risk as its long-term obligation is non-interest bearing.

Currency Risk

The Company operates globally, 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. The Company currently does not use financial instruments to hedge these risks. The significant balances in foreign currencies were as follows:

	Euros			U.S. Dollars		
in thousands	**2014**	2013	2012	**2014**	2013	2012
	€	€	€	**$**	$	$
Cash	**172**	317	837	**150**	80	164
Accounts receivable	**242**	231	339	**55**	2,000	1,001
Other current assets	**159**	150	138	**-**	-	-
Accounts payable and accrued liabilities	**(842)**	(326)	(287)	**(363)**	(946)	(516)
Other current and long-term obligations	**-**	-	-	**(281)**	(384)	(473)
	(269)	372	1,027	**(439)**	750	176

Based on the aforementioned net exposure as at December 31, 2014, 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 $51 on total comprehensive loss and a 10% appreciation or depreciation of the Canadian dollar against the Euro would have an effect of $38 on total comprehensive loss.

In terms of the euro, the Company has one significant exposure: its net investment and net cash flows in its European operations. In terms of the U.S. dollar, the Company has three significant exposures: its net investment and net cash flows in its U.S. operations, the cost of running trials and other studies at U.S. sites, and revenue generated in U.S. dollars from licensing agreements with Galderma, the Company's licensee for Pliaglis.

The Company does not actively hedge any of its foreign currency exposures given the relative risk of currency versus other risks the Company faces and the cost of establishing the necessary credit facilities and purchasing financial instruments to mitigate or hedge these exposures. As a result, the Company does not attempt to hedge its net investments in foreign subsidiaries.

The Company does not currently hedge its euro cash flows. Periodically, the Company reviews the amount of euros held, and if they are excessive compared to the Company's projected future euro cash flows, they may be converted into U.S. or Canadian dollars. If the amount of euros held is insufficient, the Company may convert a portion of other currencies into euros.

The Company does not currently hedge its U.S. dollar cash flows. The Company's U.S. operations have net cash outflows and currently these are funded using the Company's U.S. dollar denominated cash and payments received under the terms of the licensing agreements with Galderma. Periodically, the Company reviews its projected future U.S. dollar cash flows and if the U.S. dollars held are insufficient, the Company may convert a portion of its other currencies into U.S. dollars. If the amount of U.S. dollars held is excessive, they may be converted into Canadian dollars or other currencies, as needed, for the Company's other operations.

18. CAPITAL MANAGEMENT

The Company's objectives in managing capital are to ensure sufficient liquidity to pursue the Company's development plans for each of its drug candidates and to maintain its ongoing operations. Product revenues from the Company's approved drug products are not yet significant enough to fund ongoing operations. As a result, to secure the capital necessary to pursue its development plans and fund ongoing operations, the Company will need to raise additional funds through the issuance of debt or equity, by entering into distribution and license agreements or by entering into co-development agreements.

The Company currently defines its capital to include its cash and owner's net investment. In the past, the Company has financed its operations primarily through funding provided by Nuvo.

The Company is economically dependent on and has historically relied on Nuvo for funding to support its operations. As described in Note 21, Event – Plan to Separate Company, under the terms of the Arrangement, Nuvo will invest an estimated $35.0 million of additional funds in the Company to provide working capital. The Company anticipates that this additional investment, together with its current cash and short-term investments and the revenues it expects to generate from product sales and royalty payments will be sufficient to execute its current business plan for the next 24 months. Nonetheless, companies in the pharmaceutical industry typically require periodic funding in order to continue developing their drug candidate pipelines until they have successfully commercialized at least one of their drug candidates and receives sufficient ongoing revenue to fund their operations. The Company has not yet reached this stage and; therefore, the Company monitors on a regular basis, its liquidity position, the status of its partners' commercialization efforts, the status of its drug development

programs, including cost estimates for completing various stages of development, the scientific progress on each drug candidate, the potential to license or co-develop each drug candidate and continues to actively pursue fund-raising possibilities through various means, including the sale of its equity securities. There can be no assurance, especially considering the economic environment, that additional financing would be available on acceptable terms, or at all, when and if required. If adequate funds are not available when required, the Company may have to substantially reduce or eliminate planned expenditures, terminate or delay clinical trials for its product candidates, curtail product development programs designed to expand the product pipeline or discontinue certain operations. If the Company is unable to obtain additional financing when, and if required, the Company may be unable to continue operations.

19. SEGMENTED INFORMATION

Segments

The Company has two reportable operating segments as outlined below, each supported by the corporate office. Corporate overheads are allocated entirely to the TPT Group.

From a financial perspective, executive management uses net loss to assess the performance of each segment.

The following tables show certain information with respect to operating segments:

Year ended December 31, 2014	**TPT Group $**	**Immunology Group $**	**Total $**
Total revenue[(i)]	**192**	**638**	**830**
Depreciation of property, plant and equipment and amortization of intangible assets	**277**	**23**	**300**
Interest expense	**52**	**-**	**52**
Net loss [(ii)]	**(8,241)**	**(6,360)**	**(14,601)**
Assets	**216**	**1,420**	**1,636**
Property, plant and equipment	**25**	**65**	**90**
Additions to property, plant and equipment	**10**	**33**	**43**

Year ended December 31, 2013	TPT Group $	Immunology Group $	Total $
Total revenue[(i)]	2,179	603	2,782
Depreciation of property, plant and equipment and amortization of intangible assets	866	23	889
Interest income	1,273	(1,273)	-
Interest expense	63	-	63
Net loss [(ii)]	(9,732)	(4,543)	(14,275)
Assets	3,525	1,563	5,088
Property, plant and equipment	40	57	97
Additions to property, plant and equipment	-	20	20

Year ended December 31, 2012	TPT Group $	Immunology Group $	Total $
Total revenue[(i)]	6,922	664	7,586
Depreciation of property, plant and equipment and amortization of intangible assets	101	54	155
Interest income	745	(745)	-
Interest expense	72	-	72
Net loss [(ii)]	(7,613)	(3,072)	(10,685)
Assets	9,182	2,115	11,297
Property, plant and equipment	129	54	183
Additions to property, plant and equipment	32	8	40

(i) The Immunology Group currently derives all of its revenue from product sales.

(ii) Impairment of intangible assets and goodwill of $1.2 million in 2014 [2013 - $6.1 million and 2012 - $11.6 million] were included in the results of the TPT Group.

20. RELATED PARTY TRANSACTIONS

Corporate Cost Allocation
The Company has allocated corporate expenses of the corporate office to the carved-out entity. General corporate expense allocations represent costs related to corporate functions such as executive oversight, risk management, accounting, legal, investor relations, human resources, tax and other services. Expense allocations also include costs for certain compensation related items such as stock-based compensation that Nuvo provides to certain employees of the Company.

Corporate cost allocations that are reflected in G&A expenses totaled $4,990, $3,133 and $2,979 for the years ended 2014, 2013 and 2012. Corporate cost allocations that are reflected in research and development expenses totaled $636, $747 and $865 for the years ended December 31, 2014, 2013 and 2012.

The Company and Nuvo considered these general corporate expense allocations to be a reasonable reflection of the underlying nature of the operations of these entities and of the utilization of services provided. The allocations may not, however, reflect the expenses the Company would have incurred as a stand-alone company. Actual costs that may have been incurred if the Company had been a stand-alone public company in 2014, 2013 and 2012 would depend on a number of factors, including how the Company chose to organize itself, what if any functions were outsourced or performed by Company employees and strategic decisions in areas such as infrastructure.

Funding
Funding for the Company is provided by Nuvo, the parent company.

Key Management Compensation
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors. Key management includes five executive officers. Compensation for the Company's key management personnel was as follows:

	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
	$	$	$
Short-term wages, bonuses and benefits	**1,300**	1,760	1,596
Share-based payments	**2,438**	284	291
Post-employment benefits	**-**	5	11
Termination benefits	**-**	226	-
Total key management compensation	**3,738**	2,275	1,898
Included in:			
Research and development expenses	**935**	550	500
General and administrative expenses	**2,803**	1,725	1,398
Total key management compensation	**3,738**	2,275	1,898

21. SUBSEQUENT EVENT – PLAN TO SEPARATE COMPANY

In September 2015, Nuvo announced its plan to separate the Company by way of a court-approved Plan of Arrangement pursuant to the Business Corporations Act (Ontario).

Nuvo will continue to focus on the Pennsaid franchise including manufacturing, whereas Crescita will focus on innovative drug development in the immunology, pain and dermatology therapeutic areas.

Under the terms of the Arrangement, Nuvo will contribute an estimated $35.0 million to the Company to provide working capital and will provide transitional services for a defined period of time.

The implementation of the Arrangement will be subject to, among other things, board, shareholder, court and regulatory approvals, including TSX acceptance of the Arrangement. Nuvo must hold a special meeting of shareholders to approve the Arrangement. The record and meeting dates are expected to take place during the first quarter of 2016.

22. SUBSEQUENT EVENT – 2015 WF10 TRIAL TOP LINE RESULTS

In December 2015, the Company announced top line results of the 2015 WF10 Trial. The top line results showed that patients dosed with WF10 did not report a reduction in symptoms that was significantly better than patients dosed with a saline placebo at any of the endpoints being measured in the study. There was no significant difference in the performance of WF10 relative to placebo when patients were exposed to grass and ragweed pollen in the Environmental Exposure Chamber or when they were exposed to naturally occurring allergens during the field portion of the study. The Company believes that the results are not sufficient to justify the further development of WF10 for the treatment of allergic rhinitis and plans to discontinue all WF10 development.

23. SUBSEQUENT EVENT – PLIAGLIS NORTH AMERICAN RIGHTS REACQUISITION

In December 2015, the Company reacquired the development and marketing rights for Pliaglis for the U.S., Canada and Mexico. Under the terms of the agreement, Nuvo paid Galderma approximately $174 (CHF125) and will pay an additional $174 (CHF125) upon transfer of certain rights and documents. Galderma will continue to market Pliaglis in the U.S. and Canada and pay a royalty on net sales during the agreed upon transition period. The Company will receive a fixed single digit royalty on net sales in the territories outside of North America that Galderma still owns.

Condensed Combined Interim Financial Statements of Crescita Therapeutics
September 30, 2015

CRESCITA THERAPEUTICS
COMBINED INTERIM STATEMENTS OF FINANCIAL POSITION

Unaudited	*Notes*	**As at September 30, 2015**	As at December 31, 2014
(Canadian dollars in thousands)		**$**	$
ASSETS			
CURRENT			
Cash		**796**	443
Accounts receivable	*14*	**156**	247
Inventories	*4*	**397**	418
Other current assets	*5*	**93**	438
TOTAL CURRENT ASSETS		**1,442**	1,546
NON-CURRENT			
Property, plant and equipment	*6*	**78**	90
TOTAL ASSETS		**1,520**	1,636
LIABILITIES AND NET INVESTMENT			
CURRENT			
Accounts payable and accrued liabilities	*9*	**2,942**	3,411
Current portion of other obligations	*8*	**177**	138
TOTAL CURRENT LIABILITIES		**3,119**	3,549
Other obligations	*8*	**81**	188
TOTAL LIABILITIES		**3,200**	3,737
NET INVESTMENT			
Owner's net investment		**(2,757)**	(3,225)
Accumulated other comprehensive income (AOCI)		**1,077**	1,124
TOTAL NET INVESTMENT		**(1,680)**	(2,101)
TOTAL LIABILITIES AND NET INVESTMENT		**1,520**	1,636

Commitments (Note 13)
See accompanying Notes.

CRESCITA THERAPEUTICS
COMBINED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

Unaudited		Three months ended September 30		Nine months ended September 30	
		2015	2014	**2015**	2014
(Canadian dollars in thousands, except per share and share figures)	***Notes***	**$**	$	**$**	$
REVENUE					
Product sales		**178**	146	**540**	403
Royalties		**29**	67	**168**	128
Total revenue		**207**	213	**708**	531
OPERATING EXPENSES					
Cost of goods sold	*4, 11*	**75**	54	**315**	124
Research and development expenses	*5, 9, 11, 16*	**1,441**	1,689	**7,107**	4,851
General and administrative expenses	*7, 9,11, 16*	**1,969**	1,786	**4,262**	4,591
Interest expense	*8*	**9**	12	**31**	40
Total operating expenses		**3,494**	3,541	**11,715**	9,606
OTHER EXPENSES (INCOME)					
Foreign currency loss (gain)		**16**	9	**36**	(143)
NET LOSS		**(3,303)**	(3,337)	**(11,043)**	(8,932)
Other comprehensive income (loss) to be reclassified to net loss in subsequent periods					
Unrealized gains (losses) on translation of foreign operations		**10**	11	**(47)**	(1)
TOTAL COMPREHENSIVE LOSS		**(3,293)**	(3,326)	**(11,090)**	(8,933)
Net loss per common share –					
- basic and diluted	*10*	**$ (0.30)**	$ (0.32)	**$ (1.01)**	$ (0.91)
Weighted average number of common shares outstanding (in thousands)					
- basic and diluted	*10*	**10,971**	10,289	**10,897**	9,825

See accompanying Notes.

CRESCITA THERAPEUTICS
COMBINED INTERIM STATEMENTS OF CHANGES IN NET INVESTMENT

Unaudited	Owner's Net Investment	AOCI	Total
(Canadian dollars in thousands)	**$**	**$**	**$**
Balance, December 31, 2013	1,860	1,086	2,946
Net loss	(5,595)	-	(5,595)
Net adjustments to owner's net investment	3,593	-	3,593
Unrealized loss on translation of foreign operations	-	(12)	(12)
Balance, June 30, 2014	(142)	1,074	932
Net loss	(3,337)	-	(3,337)
Net adjustments to owner's net investment	2,808	-	2,808
Unrealized gain on translation of foreign operations	-	11	11
Balance, September 30, 2014	(671)	1,085	414
Net loss	(5,669)	-	(5,669)
Net adjustments to owner's net investment	3,115	-	3,115
Unrealized gain on translation of foreign operations	-	39	39
Balance, December 31, 2014	(3,225)	1,124	(2,101)
Net loss	(7,740)	-	(7,740)
Net adjustments to owner's net investment	8,747	-	8,747
Unrealized loss on translation of foreign operations	-	(57)	(57)
Balance, June 30, 2015	(2,218)	1,067	(1,151)
Net loss	(3,303)	-	(3,303)
Net adjustments to owner's net investment	2,764	-	2,764
Unrealized gain on translation of foreign operations	-	10	10
Balance, September 30, 2015	**(2,757)**	**1,077**	**(1,680)**

See accompanying Notes.

CRESCITA THERAPEUTICS
COMBINED INTERIM STATEMENTS OF CASH FLOWS

Unaudited		Three months ended September 30		Nine months ended September 30	
		2015	2014	**2015**	2014
(Canadian dollars in thousands)	***Notes***	**$**	$	**$**	$
OPERATING ACTIVITIES					
Net loss		**(3,303)**	(3,337)	**(11,043)**	(8,932)
Items not involving current cash flows:					
Depreciation and amortization	*6, 7, 11*	**11**	70	**29**	224
Equity-settled stock-based compensation	*9*	**22**	45	**86**	125
Unrealized foreign exchange loss (gain)		**37**	(21)	**10**	(143)
Inventory write-down	*4*	**-**	-	**63**	-
Accretion of long-term consulting agreement	*8*	**9**	12	**31**	40
		(3,224)	(3,231)	**(10,824)**	(8,686)
Net change in non-cash working capital	*12*	**815**	818	**(148)**	2,677
CASH USED IN OPERATING ACTIVITIES		**(2,409)**	(2,413)	**(10,972)**	(6,009)
INVESTING ACTIVITIES					
Acquisition of property, plant and equipment	*6*	**-**	(14)	**(13)**	(22)
CASH USED IN INVESTING ACTIVITIES		**-**	(14)	**(13)**	(22)
FINANCING ACTIVITIES					
Additional net investment from Nuvo Research Inc.		**2,742**	2,763	**11,425**	6,276
Payments under long-term consulting agreement	*8*	**(50)**	(41)	**(142)**	(123)
CASH PROVIDED BY FINANCING ACTIVITIES		**2,692**	2,722	**11,283**	6,153
Effect of exchange rate changes on cash		**42**	(8)	**55**	59
Net change in cash during the period		**325**	287	**353**	181
Cash, beginning of period		**471**	515	**443**	621
CASH, END OF PERIOD		**796**	802	**796**	802

See accompanying Notes.

CRESCITA THERAPEUTICS
NOTES TO THE CONDENSED COMBINED INTERIM FINANCIAL STATEMENTS

Unless noted otherwise, all amounts shown are in thousands of Canadian dollars

1. BASIS OF PREPARATION

On September 14, 2015, the Board of Directors of Nuvo Research® Inc. (Nuvo) unanimously approved in principle, a transaction to separate the drug development operations of Nuvo to its shareholders and establish the business as a separate publicly traded company, if approved by Nuvo shareholders. This distribution to Nuvo's shareholders will proceed by way of arrangement under the *Business Corporations Act* (Ontario) (the Arrangement).

These Condensed Combined Interim Financial Statements present the financial position, results of operations, changes in net investment and cash flows of Nuvo's drug development operations as if it had operated as a stand-alone entity, Crescita Therapeutics (Crescita or the Company).

These Condensed Combined Interim Financial Statements have been primarily derived from the accounts of Nuvo's wholly owned United States and European subsidiaries, adjusted to remove balances and transactions related to a commercialized product that will not form part of Crescita - the heated lidocaine/tetracaine patch (HLT Patch). These Condensed Combined Interim Financial Statements also include an allocation of balances and transactions relating to both corporate office activities performed on behalf of the Company by Nuvo and certain drug development activities performed on behalf of the Company by Nuvo's Canadian subsidiary.

As these Condensed Combined Interim Financial Statements represent a portion of the business of Nuvo which was not organized as a stand-alone entity, the net assets of Crescita have been reflected as Owner's net investment.

Management believes both the assumptions and the allocations underlying the Condensed Combined Interim Financial Statements of Crescita are reasonable. However, as a result of the basis of presentation described above, these Condensed Combined Interim Financial Statements may not necessarily be indicative of the operating results and financial position that would have resulted had Crescita historically operated as a stand-alone entity.

Statement of Compliance
The Company prepares its Condensed Combined Interim Financial Statements in accordance with IAS 34 - *Interim Financial Reporting* (IAS 34). Accordingly, these Condensed Combined Interim Financial Statements do not include all disclosures required for annual financial statements and should be read in conjunction with the annual
Combined Financial Statements of the Company as at and for the year ended December 31, 2014.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the Condensed Combined Interim Financial Statements were the same as those that applied to the Company's annual Combined Financial Statements as at and for the year ended December 31, 2014.

2. NATURE OF BUSINESS AND GOING CONCERN ASSUMPTION

Following the completion of the Arrangement, Crescita will be a Canadian biotech company with a portfolio of products and technologies. The Company will operate two distinct business units: the Topical Products and Technology (TPT) Group and the Immunology Group. The TPT Group has one commercial product, Pliaglis, that is licensed globally and a pipeline of topical and transdermal products focusing on pain and dermatology and multiple drug delivery platforms that support the development of patented formulations that can deliver actives into or through the skin (see Note 19 – Subsequent Event – Pliaglis North American Rights Reacquisition). The Immunology Group has two commercial products, Oxoferin™ and WF10™ and an immune system modulation platform that supports the development of drug products that modulate chronic inflammation processes resulting in a therapeutic benefit. The Company will be governed by the *Business Corporations Act* (Ontario) and its head and registered office will be located at 7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4.

Topical Products and Technology Group
The TPT Group has one commercial product, Pliaglis. Pliaglis is a topical local anaesthetic cream that provides safe and effective local dermal anaesthesia on intact skin prior to superficial dermatological procedures, such as dermal filler injection, pulsed dye laser therapy, facial laser resurfacing and laser-assisted tattoo removal. The Company has licensed worldwide marketing rights to Galderma Pharma S.A. (Galderma) (see Note 19 – Subsequent Event – Pliaglis North American Rights Reacquisition). Pliaglis is approved for sale and marketing in the U.S., several Western European countries, Argentina, Brazil and Canada. Galderma launched the commercial sale and marketing of Pliaglis in the U.S. and in the European Union in 2013 and in Brazil in March 2014. In Argentina, Pliaglis has been sold and marketed since 2011. The Company's development pipeline consists of Ibuprofen Foam for the treatment of acute pain, a topical treatment for onychomycosis and Flexicaine for the treatment of postherpetic neuralgia.

Immunology Group
The Immunology Group is focused on developing drug products that modulate chronic inflammation processes resulting in a therapeutic benefit. Such pathological, inflammatory processes play an important role in the onset of several diseases including allergic rhinitis, allergic asthma, rheumatoid arthritis and inflammatory bowel diseases. The Immunology Group has two commercial products, WF10 and Oxoferin. WF10 is approved in Thailand under the brand name Immunokine as an adjunct in the treatment of cancer to relieve post radiation therapy syndromes and as an adjunct therapy for diabetic foot ulcers, but is not otherwise approved for sale and marketing in any other jurisdictions. Oxoferin,, a topical wound healing agent, contains the active ingredient in WF10, but at a lower concentration. Oxoferin is marketed by Nuvo and its partners in parts of the E.U. and Asia as a topical wound healing agent under the trade names Oxoferin and Oxovasin™.

Going Concern
These Condensed Combined Interim Financial Statements have been prepared on a going-concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future.

As at September 30, 2015, Crescita's historical losses have exceeded Nuvo's investment, resulting in owner's net investment of $(2.8) million, including a net loss of $11.0 million during the nine months ended September 30, 2015.

The Company is economically dependent on and has historically relied on Nuvo for funding to support its operations. As described in Note 17, Subsequent Event – Plan to Separate Company, under the terms of the Arrangement, Nuvo will invest an estimated $35.0 million of additional funds in the Company to provide working capital. The Company anticipates that this additional investment, together with its current cash and the revenues it expects to generate from product sales and royalty payments, will be sufficient to execute its current business plan for the next 24 months. Beyond that date, there can be no assurance that the Company will have sufficient capital to fund its ongoing operations or develop or commercialize any further products without future financings.

The Company's ability to continue as a going concern is dependent on its ability to secure additional licensing fees, secure co-development agreements, obtain additional capital when required, gain regulatory approval for other drugs and ultimately achieve profitable operations. To raise additional capital, the Company must continue to demonstrate the successful progression of its research and development activities, including its ability to advance the development of WF10 and its pipeline products to significant milestones that are financeable (see Note 18 – Subsequent Event – 2015 WF10 Trial Top Line Results).

As there can be no certainty as to the outcome of the above matters, there is material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

There can be no assurance that additional financing would be available on acceptable terms or at all, when and if required. If adequate funds are not available when required, the Company may have to substantially reduce or eliminate planned expenditures, terminate or delay clinical trials for its product candidates, curtail product development programs designed to expand the product pipeline or discontinue certain operations. If the Company is unable to obtain additional financing when and if required, the Company may be unable to continue operations.

These Condensed Combined Interim Financial Statements do not include any adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies have been applied on a basis consistent with those followed in the most recent annual Combined Financial Statements. The policies applied in these Condensed Combined Interim Financial Statements are based on International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). These Condensed Combined Interim financial Statements were issued and effective as at January 4, 2016, the date the Board of Directors approved these Condensed Combined Interim Financial Statements.

Basis of Measurement
These Condensed Combined Interim Financial Statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the functional currency of the Company's corporate operations.

Use of Estimates and Judgments
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the Condensed Combined Financial Statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from these estimates and such differences could be material.

Key areas of estimation or use of managerial assumptions have been applied on a basis consistent with those described in the most recent annual Combined Financial Statements and include:

(i) Allocations

Nuvo and its Canadian subsidiary paid certain costs for the Company and performed certain activities on behalf of the Company. As a result, these Condensed Combined Interim Financial Statements include allocations of certain balances and transactions reported in the accounts of Nuvo and its Canadian subsidiary.

An entity included in the Condensed Combined Interim Financial Statements paid certain costs for Nuvo and performed certain activities on behalf of Nuvo related to the HLT Patch. Accordingly, an allocation of certain balances and transactions reported in the accounts of this entity have been excluded from the Condensed Combined Interim Financial Statements.

Compensation related costs have been allocated using methodologies primarily based on proportionate time spent on the Company's and Nuvo's respective activities. These cost allocations have been determined on a basis considered by the Company and Nuvo to be a reasonable reflection of the utilization of services provided to the Company.

Basis of Combination

These Condensed Combined Interim Financial Statements include the accounts of Nuvo's wholly owned U.S. and European subsidiaries, as listed below, adjusted to remove balances and transactions related to the HLT Patch:

	September 30, 2015	December 31, 2014
Nuvo Research America, Inc. and its subsidiaries:		
Nuvo Research US, Inc., ZARS Pharma, Inc., and ZARS (UK) Limited	100%	100%
Dimethaid Immunology Inc.	100%	100%
Nuvo Research AG and its subsidiaries:		
Nuvo Manufacturing GmbH and Nuvo Research GmbH	100%	100%

All significant inter-company balances and transactions have been eliminated upon combination.

Accounting Standards Issued But Not Yet Applied

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRS Interpretations Committee (IFRIC) that are mandatory for fiscal periods beginning on January 1, 2015 or later. The standards that may be applicable to the Company are as follows:

IFRS 9 – Financial Instruments

In October 2010, the IASB issued IFRS 9 *Financial Instruments* which replaces IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. This new standard is effective for annual and interim periods commencing on or after January 1, 2018. The Company is in the process of reviewing the standard to determine the impact on the Combined Financial Statements.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers* which covers principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. Entities will transition following either a full or modified retrospective approach. The Company is in the process of reviewing the standard to determine the impact on the Combined Financial Statements.

Other accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates, are either not applicable or are not expected to have a significant impact on the Company's Condensed Combined Interim Financial Statements.

4. INVENTORIES

Inventories consist of the following as at:

	September 30, 2015	December 31, 2014
	$	$
Raw materials	**38**	39
Work-in-process	**139**	111
Finished goods	**220**	268
	397	418

During the three and nine months ended September 30, 2015, inventories in the amount of $0.1 million and $0.3 million [$0.1 million and $0.1 million for the three and nine months ended September 30, 2014] were recognized in cost of goods sold. There were no inventory write-downs during the three months ended September 30, 2015 and the three and nine months ended September 30, 2014. During the nine months ended September 30, 2015, $7 (€5) of raw materials and $56 (€41) of finished goods were written down. There were no reversals of prior write-downs during the three and nine months ended September 30, 2015, and September 30, 2014. All inventories relate to the Immunology Group.

5. OTHER CURRENT ASSETS

Other current assets consist of the following as at:

	September 30, 2015	December 31, 2014
	$	$
Other receivables[(i)]	**91**	436
Deposits	**2**	2
	93	438

(ii) Includes $nil [December 31, 2014 - $223] related to R&D expenditures which the Company is eligible for reimbursement under funding agreements with the Development Bank of Saxony (SAB) for the development of WF10 related projects. The amounts reimbursed are included in R&D expenses.

6. PROPERTY, PLANT AND EQUIPMENT

PP&E consists of the following as at:

	Buildings	**Leasehold Improvements**	**Furniture and Fixtures**	**Computer Equipment**	**Production Laboratory and Other Equipment**	**Total**
Cost	**$**	**$**	**$**	**$**	**$**	**$**
Balance, December 31, 2014	858	113	212	881	282	2,346
Foreign exchange movements	56	-	4	5	20	85
Additions	-	-	-	11	2	13
Balance, September 30, 2015	**914**	**113**	**216**	**897**	**304**	**2,444**
Accumulated depreciation						
Balance, December 31, 2014	858	113	211	835	239	2,256
Foreign exchange movements	56	-	4	3	18	81
Depreciation expense	-	-	1	16	12	29
Balance, September 30, 2015	**914**	**113**	**216**	**854**	**269**	**2,366**
NBV as at December 31, 2014	-	-	1	46	43	90
NBV as at September 30, 2015	**-**	**-**	**-**	**43**	**35**	**78**

7. INTANGIBLE ASSETS

Intangible assets relating to Pliaglis were acquired from the acquisition of ZARS Pharma, Inc. (ZARS) in 2011.

The Company reviewed the carrying values of the intangible assets for potential impairment at December 31, 2014 as sales for Pliaglis were not meeting expectations. Commercial strategies for the product produced revenues that were lower than expected and the costs to maintain the intellectual property and regulatory commitments exceeded royalties earned. Indications for impairment did exist and management determined that the asset was impaired, such that the recoverable amount was lower than the carrying amount. The recoverable amount and value in use (being the present value of expected future cash flows) was calculated using best estimates for future periods based on discussions with licensing partners, knowledge of historical results and expectations for the future, net of direct costs forecasted by management, assuming declining revenues, discounted at an after-tax rate of 19% which approximated the Company's current weighted average cost of capital. In the fourth quarter of 2014, the Company recorded an impairment charge of $1,202. The remaining net carrying amount as at December 31, 2014 was $nil.

Pliaglis has been commercialized in several markets and amortization of the Company's intellectual properties would have continued until their current patents expired in September 2019 for Pliaglis if it was not fully impaired as at December 31, 2014. For the three and nine months ended September 30, 2014, $61 and $186 of amortization was included in general and administrative (G&A) expenses in the Condensed Combined Interim Statements of Loss and Comprehensive Loss.

8. OTHER OBLIGATIONS

Other obligations consist of the following as at:

	September 30, 2015	December 31, 2014
	$	$
Long-term consulting agreement from acquisition of non-controlling interest	**258**	326
Less current portion	**177**	138
Long-term balance	**81**	188

In December 2011, the Company increased its ownership in Nuvo Research AG to 100% by acquiring the 40% interest held by the minority owner. The consideration transferred to the non-controlling interest included a 5-year, US$150 per annum consulting agreement with the former minority shareholder, discounted at 15.5% and fair valued at US$519 ($528).

The future payments on the consulting obligation are as follows for the years ending September 30:

	$
2016	200
2017	83
Total payments	283
Less amount representing interest (approximately 15.5%)	25
Present value of obligation, including accretion	258
Less current portion	177
Long-term balance	81

9. STOCK-BASED COMPENSATION AND OTHER STOCK-BASED PAYMENTS

Certain employees of Crescita participate in Nuvo's stock-based compensation plans. Stock-based compensation has been allocated to Crescita primarily based on proportionate time spent on the Crescita's and Nuvo's respective activities. The following is a summary of Nuvo's stock-based compensation activity for the three and nine months ended September 30, 2015 and 2014 which should be read in conjunction with Nuvo Research Inc.'s Condensed Consolidated Interim Financial Statements for the three and nine months ended September 30, 2015 and 2014:

Share Incentive Plan
Under Nuvo's Share Incentive Plan, there are three sub plans: the Share Purchase Plan, the Share Option Plan and the Share Bonus Plan.

Share Option Plan
Under the Share Option Plan, Nuvo may grant options to purchase common shares to officers, directors, employees or consultants of Nuvo or its affiliates. Options issued under the Share Option Plan are granted for a term not exceeding ten years from the date of grant. All options issued to-date have a life of ten years. In general, options have vested either immediately upon grant or over a period of one to four years or upon the achievement of certain performance related measures or milestones. Under the provisions of the Share Option Plan, the exercise price of all stock options shall not be less than the closing price of the common shares on the last trading date immediately preceding the grant date of the option.

As at September 30, 2015, the number of options available and reserved for issue was 176,134.

The following is a schedule of Nuvo's options outstanding as at:

	Number of Options 000s	Exercise Price Range $	Weighted Average Exercise Price $
Balance, December 31, 2014	887	1.96 - 24.05	6.93
Exercised[(i)]	8	1.96	1.96
Balance, June 30, 2015	879	1.96 - 24.05	6.97
Exercised[(i)]	4	1.96	1.96
Expired	109	13.00	13.00
Balance, September 30, 2015	**766**	**1.96 - 24.05**	**6.15**

(ii) The weighted average share price for the options exercised in 2015 was $6.31.

The following table summarizes the outstanding and exercisable options held by directors, officers, employees and consultants of Nuvo as at September 30, 2015:

	Outstanding			Exercisable	
Exercise Price Range $	Number of Options (000s)	Remaining Contractual Life (years)	Weighted Average Exercise Price $	Vested Options (000s)	Weighted Average Exercise Price $
1.96 - 5.53	371	8.1	3.35	174	3.62
6.50 - 8.78	334	4.0	7.72	299	7.87
11.70 - 24.05	61	4.0	14.50	61	14.50
	766	**6.0**	**6.15**	**534**	**7.24**

Share Purchase Plan
Under the Share Purchase Plan, eligible officers, employees or consultants of Nuvo or its affiliates may contribute up to 10% of their annual base salary to the plan to purchase Nuvo common shares. Nuvo matches each participant's contribution by issuing Nuvo common shares having a value equal to the aggregate amount contributed by each participating employee.

Share Bonus Plan
A PSU provides an employee with an opportunity to earn common shares of Nuvo if certain PSU objectives are achieved. If these PSU objectives are achieved, the PSUs are Earned PSUs. Each Earned PSU then vests over the subsequent two calendar years in three equal instalments. One PSU has a value equal to one Nuvo common share.

Deferred Share Unit Plan

Directors
Under Nuvo's DSU Plan, non-employee directors can be allotted and elect to receive a portion of their annual retainers and other Board-related compensation in the form of DSUs. One DSU has a cash value equal to the market price of one of Nuvo's common shares and the number of DSUs issued to a director's DSU account for any payment is determined using the five-day volume weighted average price (VWAP) of Nuvo's common shares immediately preceding the payment date.

Employees
Under Nuvo's employee DSU Plan, employees can elect to have a portion of their quarterly earnings issued in units of the DSU Plan. Consistent with non-employee directors, one DSU has a cash value equal to the market price of one of Nuvo's common shares. The number of units to be credited to an employee will be calculated by dividing the elected portion of the compensation payable to the employee by the five-day VWAP of Nuvo's common shares immediately preceding the close of each quarter.

Upon issuance, the fair value of the DSUs is recorded as compensation expense and the DSU accrual is established. At all subsequent reporting dates, the DSU accrual is adjusted to the market value of the underlying shares and the adjustment is recorded as compensation cost. Within a specified time after retirement or termination, non-employee directors and employees receive a cash payment equal to the market value of their DSUs.

The following table summarizes Nuvo's outstanding DSUs and related accrual as at:

	Number of DSUs 000s	Market Values $	Accrual $
Balance, December 31, 2014	395	7.00	2,770
Issued for directors' fees	27	4.29 - 6.92	162
Adjustment to market value	-	-	(397)
Balance, June 30, 2015	422	6.00	2,535
Issued for directors' fees	2	7.04	17
Adjustment to market value	-	-	351
Balance, September 30, 2015	**424**	**6.83**	**2,903**

As at September 30, 2015, a DSU accrual of $690 was included in Crescita's accounts payable and accrued liabilities (December 31, 2014 - $707).

Stock Appreciation Rights Plan

On October 30, 2013, Nuvo established the SARs Plan for officers, employees or designated affiliates to provide incentive compensation based on the appreciation in value of Nuvo's common shares. Under the SARs Plan, participants receive, upon vesting, a cash amount equal to the difference between the SARs' fair market value and the grant price value, also known as the intrinsic value. Fair market value is determined by the closing price of Nuvo's common share on the Toronto Stock Exchange (TSX) on the day preceding the exercise date. SARs vest in tranches prescribed at the grant date and each tranche is considered a separate award with its own vesting period and grant date fair value. Until SARs vest, compensation expense is measured based on the fair value of the SARs at the end of each reporting period, using the Black-Scholes option pricing model. The fair value of the liability is remeasured at the end of each reporting date and adjusted at the settlement date, when the intrinsic value is realized. The SARs accrual is included in accounts payable and accrued liabilities.

Fair values of each tranche issued and outstanding in the period were measured as at September 30, 2015 using the Black-Scholes option pricing model with the following inputs:

SARs (000s)	Grant Date	Exercise Price $	Risk-free Interest Rate %	Expected Life (years)	Volatility Factor %	Fair Values $
606	October 30, 2013	1.85	0.40%	1 - 2	80	4.98 - 5.08
318	April 4, 2014	3.39	0.40%	1 - 3	74 - 80	3.48 - 4.25
246	January 7, 2015	7.20	0.40% - 0.53%	1 - 4	74 - 80	0.95 - 3.44

The following table summarizes Nuvo's outstanding SARs as at:

	Number of SARs 000s	Fair Values $	Accrual $
Balance, December 31, 2014	924	3.61 - 5.38	2,876
Granted	246	0.59 - 1.92	30
Vested	(382)	3.61 - 5.15	(1,848)
Adjustment to market value	-	-	267
Balance, June 30, 2015	788	1.06 - 4.37	1,325
Adjustment to market value	-	-	520
Balance, September 30, 2015	**788**	**0.95 - 5.08**	**1,845**

As at September 30, 2015, a SARs accrual of $786 was included in Crescita's accounts payable and accrued liabilities (December 31, 2014 - $1,224).

Summary of Stock-Based Compensation

Nuvo's corporate costs allocated to the Company included an amount representing stock based compensation expense. The following is a summary of Nuvo's stock-based compensation expense allocated to the Crescita:

	Three months ended September 30		Nine months ended September 30	
	2015	2014	**2015**	2014
	$	$	**$**	$
Stock option compensation expense under the Share Option Plan	**22**	45	**86**	125
DSUs – issued for employee compensation	-	52	-	149
DSUs – adjustment to market value	**84**	157	**(17)**	201
PSU compensation expense under the Share Bonus Plan	-	3	-	11
SARs compensation expense	**304**	512	**478**	697
Consulting fees	-	21	-	21
Stock-based compensation expense	**410**	790	**547**	1,204
Recorded in the Combined Interim Statements of Loss and Comprehensive Loss as follows:				
Research and development expenses	**82**	143	**144**	226
General and administrative expenses	**328**	647	**403**	978
	410	790	**547**	1,204

The remaining Nuvo stock-based compensation expense, which was not allocated to Crescita, is $513 and $543 for the three and nine months ended September 30, 2015 and $962 and $1,577 for the three and nine months ended September 30, 2014.

10. NET LOSS PER COMMON SHARE

Net loss per common share is computed as follows:

	Three months ended September 30		Nine months ended September 30	
(in thousands, except per share and share figures)	**2015**	2014	**2015**	2014
Basic and diluted loss per share:				
Net loss	**$(3,303)**	$(3,337)	**$(11,043)**	$(8,932)
Weighted average number of Nuvo's common shares outstanding during the period	**10,971**	10,289	**10,897**	9,825
Basic and diluted net loss per common share	**$ (0.30)**	$ (0.32)	**$ (1.01)**	$ (0.91)

11. EXPENSES BY NATURE

The Combined Interim Statements of Loss and Comprehensive Loss include the following expenses by nature:

(a) Employee costs:

	Three months ended September 30		Nine months ended September 30	
	2015	2014	**2015**	2014
	$	$	$	$
Short-term employee wages, bonuses and benefits	**1,102**	1,068	**3,450**	3,386
Share-based payments (Note 9)	**410**	790	**547**	1,204
Post-employment benefits	**7**	1	**18**	13
Termination benefits	**-**	**-**	**72**	**-**
Total employee costs	**1,519**	1,859	**4,087**	4,603
Included in:				
Cost of goods sold	**11**	7	**27**	26
Research and development expenses	**731**	737	**2,075**	2,148
General and administrative expenses	**777**	1,115	**1,985**	2,429
Total employee costs	**1,519**	1,859	**4,087**	4,603

(b) Depreciation and amortization:

	Three months ended September 30		Nine months ended September 30	
	2015	2014	**2015**	2014
	$	$	$	$
Research and development expenses	**7**	3	**18**	16
General and administrative expenses [(i)]	**4**	67	**11**	208
Total depreciation and amortization	**11**	70	**29**	224

[(ii)] G&A expenses include $61 and $186 of amortization of intangible assets for the three and nine months ended September 30, 2014.

12. NET CHANGE IN NON-CASH WORKING CAPITAL

The net change in non-cash working capital consists of:

	Three months ended September 30		Nine months ended September 30	
	2015	2014	**2015**	2014
	$	$	**$**	$
Accounts receivable	**154**	(139)	**102**	2,023
Inventories	**(11)**	110	**(18)**	(17)
Other current assets	**193**	189	**351**	(23)
Accounts payable and accrued liabilities	**479**	658	**(583)**	694
Net change in non-cash working capital	**815**	818	**(148)**	2,677

13. COMMITMENTS

The Company has commitments under research and other service contracts and minimum future rental payments under operating leases for the twelve months ending September 30 as follows:

	Research and Other Service Contracts	Operating Leases	Total
	$	**$**	**$**
2016	1,793	65	1,858
2017	-	2	2
2018 and thereafter	-	1	1
	1,793	68	1,861

For the three and nine months ended September 30, 2015, payments under operating leases totaled $57 and $170 [$44 and $114 for the three and nine months ended September 30, 2014]. These payments include a portion of Nuvo's corporate office lease which has been allocated to the Company.

Under certain licensing agreements, the Company may be required to make payments upon the achievement of specific developmental, regulatory or commercial milestones. As it is uncertain if, and when, these milestones will be achieved, the Company did not accrue for any of these payments at September 30, 2015 and December 31, 2014.

Under certain licensing agreements, the Company is required to make royalty payments to two companies for a combined 2.5% of annual net sales of Pliaglis.

Under the terms of a 2004 agreement and as reiterated in a 2011 agreement to purchase the non-controlling interest in Nuvo Research AG, the Company is obligated to pay 6% of future WF10 licensing and royalty revenue and 6% of proceeds received from the sale of any portion of Nuvo Research AG to the former minority partner. No amounts have been paid or are payable.

Guarantees
The Company periodically enters into research, licensing, distribution or supply 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 amount has been accrued in the accompanying Condensed Combined Interim Financial Statements with respect to these indemnification obligations.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Values
IFRS 7 *Financial Instruments: Disclosures* requires disclosure of a three-level hierarchy that reflects the significance of the inputs used in making fair value measurements. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in 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.

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 nine months ended September 30, 2015 and the year ended December 31, 2014.

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 1 liabilities include obligations of the Company for the DSUs described in Note 9. One DSU has a cash value equal to the market price of one of Nuvo's common shares. Nuvo revalues the DSU liability each reporting period using the market value of the underlying shares.

Level 2 liabilities include obligations of the Company for the SARS Plan described in Note 9. The fair values of each tranche of SARs issued and outstanding is revalued by Nuvo at each reporting period using the Black-Scholes option pricing model.
As at September 30, 2015 and December 31, 2014, the fair values of all other short-term financial assets and liabilities, presented in the Combined Statements of Financial Position approximate their carrying amounts due to the short period to maturity of these financial instruments.

Rates currently available to the Company for its long-term obligation, with similar terms and remaining maturity, have been used to estimate the fair value of the long-term consulting agreement. The fair value of the long-term consulting agreement approximates its carrying value.

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
While the Company had $0.8 million in cash as at September 30, 2015, it continues to have an ongoing need for substantial capital resources to research, develop, commercialize and manufacture its products and technologies as the Company is not generating enough cash to funds its operations.

The Company has contractual obligations related to accounts payable and accrued liabilities, purchase commitments and other obligations of $5.0 million that are due in less than one year and $0.1 million of contractual obligations that are payable from 2016 to 2018.

The Company is economically dependent on and has historically relied on Nuvo for funding to support its operations. As described in Note 17, Subsequent Event – Plan to Separate Company, under the terms of the Arrangement, Nuvo will invest an estimated $35.0 million of additional funds in the Company to provide working capital. The Company anticipates that this additional investment, together with its current cash and the revenues it expects to generate from product sales and royalty payments will be sufficient to execute its current business plan for the next 24 months.

The future cash requirements of the Company are estimated by preparing a budget annually which is reviewed and approved by Nuvo's Board of Directors. The budget establishes the approved activities for the upcoming year and estimates the costs associated with these activities. Actual spending relative to budgeted expenditures is monitored regularly by management and reviewed by the Nuvo's Board of Directors quarterly.

The Company's exposure to liquidity risk is dependent on its research and development programs and associated commitments and obligations and the raising of capital. The Company has historically relied on funding from Nuvo to support its operations. There are no assurances that funds will be available to the Company when required.

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 and amounts receivable from global customers.

The Company manages its exposure to credit risk by holding cash on deposit in major financial institutions.

The Company, in the normal course of business, is exposed to credit risk from its global customers most of whom are in the pharmaceutical industry. The accounts receivable 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 and the E.U. due to potentially higher risks of enforceability and collectability. The Company attempts to manage these risks prior to the signing of distribution or licensing agreements by dealing with creditworthy customers; however, due to the limited number of potential customers in each market, this is not always possible. In addition, a customer's creditworthiness may change subsequent to becoming a licensee or distributor and the terms and conditions in the agreement may prevent the Company from seeking new licensees or distributors in these territories during the term of the agreement.

At September 30, 2015, 77% of accounts receivable related to customers outside North America and the E.U. [December 31, 2014 - 94%].

Interest Rate Risk
The Company is not subject to significant interest rate risk as its long-term obligation is non-interest bearing.

Currency Risk
The Company operates globally, 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. The Company currently does not use financial instruments to hedge these risks. The significant balances in foreign currencies were as follows:

	Euros		U.S. Dollars	
(in thousands)	**September 30, 2015 €**	December 31, 2014 €	**September 30, 2015 $**	December 31, 2014 $
Cash	**373**	172	**151**	150
Accounts receivable	**89**	242	**17**	55
Other current assets	**1**	159	**-**	-
Accounts payable and accrued liabilities	**(714)**	(842)	**(289)**	(363)
Other long-term obligations	**-**	-	**(193)**	(281)
	(251)	(269)	**(314)**	(439)

Based on the aforementioned net exposure as at September 30, 2015, 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 $42 on total comprehensive loss and a 10% appreciation or depreciation of the Canadian dollar against the Euro would have an effect of $37 on total comprehensive loss.

In terms of the euro, the Company has one significant exposure: its net investment and net cash flows in its European operations. In terms of the U.S. dollar, the Company has three significant exposures: its net investment and net cash flows in its U.S. operations, the cost of running trials and other studies at U.S. sites, and revenue generated in U.S. dollars from licensing agreements with Galderma, the Company's licensee for Pliaglis.

The Company does not actively hedge any of its foreign currency exposures given the relative risk of currency versus other risks the Company faces and the cost of establishing the necessary credit facilities and purchasing financial instruments to mitigate or hedge these exposures. As a result, the Company does not attempt to hedge its net investments in foreign subsidiaries.

The Company does not currently hedge its euro cash flows. Periodically, the Company reviews the amount of euros held, and if they are excessive compared to the Company's projected future euro cash flows, they may be converted into U.S. or Canadian dollars. If the amount of euros held is insufficient, the Company may convert a portion of other currencies into euros.

The Company does not currently hedge its U.S. dollar cash flows. The Company's U.S. operations have net cash outflows and currently these are funded using the Company's U.S. dollar denominated cash and payments received under the terms of the licensing agreements with Galderma. Periodically, the Company reviews its projected future U.S. dollar cash flows and if the U.S. dollars held are insufficient, the Company may convert a portion of its other currencies into U.S. dollars. If the amount of U.S. dollars held is excessive, they may be converted into Canadian dollars or other currencies, as needed for the Company's other operations.

15. SEGMENTED INFORMATION

Segments
The Company has two reportable operating segments as outlined below, each supported by the corporate office. Corporate overheads are allocated entirely to the TPT Group.

From a financial perspective, executive management uses net loss to assess the performance of each segment.

The following tables show certain information with respect to operating segments:

Three months ended September 30, 2015	**TPT Group $**	**Immunology Group $**	**Total $**
Total revenue[(i)]	**29**	**178**	**207**
Depreciation of property, plant and equipment	**5**	**6**	**11**
Interest expense	**9**	**-**	**9**
Net loss	**(2,235)**	**(1,068)**	**(3,303)**
Assets	**250**	**1,270**	**1,520**
Property, plant and equipment	**24**	**54**	**78**
Additions to property, plant and equipment	**-**	**-**	**-**

Three months ended September 30, 2014	TPT Group $	Immunology Group $	Total $
Total revenue[(i)]	67	146	213
Depreciation of property, plant and equipment and amortization of intangible assets	67	3	70
Interest expense	12	-	12
Net loss	(1,780)	(1,557)	(3,337)
Assets	1,353	1,831	3,184
Property, plant and equipment	24	56	80
Additions to property, plant and equipment	3	11	14

Nine months ended September 30, 2015	**TPT Group $**	**Immunology Group $**	**Total $**
Total revenue[(i)]	**168**	**540**	**708**
Depreciation of property, plant and equipment	**11**	**18**	**29**
Interest expense	**31**	**-**	**31**
Net loss	**(4,792)**	**(6,251)**	**(11,043)**
Assets	**250**	**1,270**	**1,520**
Property, plant and equipment	**24**	**54**	**78**
Additions to property, plant and equipment	**10**	**3**	**13**

Nine months ended September 30, 2014	TPT Group $	Immunology Group $	Total $
Total revenue[(i)]	128	403	531
Depreciation of property, plant and equipment and amortization of intangible assets	208	16	224
Interest expense	40	-	40
Net loss	(4,816)	(4,116)	(8,932)
Assets	1,353	1,831	3,184
Property, plant and equipment	24	56	80
Additions to property, plant and equipment	6	16	22

(iii) The Immunology Group currently derives all of its revenue from product sales.

16. RELATED PARTY TRANSACTIONS

Corporate Cost Allocation
The Company has allocated corporate expenses of the corporate office to the carved-out entity. General corporate expense allocations represent costs related to corporate functions such as executive oversight, risk management, accounting, legal, investor relations, human resources, tax and other services. Expense allocations also include costs for certain compensation related items such as stock-based compensation that Nuvo provides to certain employees of the Company.

Corporate cost allocations that are reflected in G&A expenses totaled $1,659 and $3,551 for the three and nine months ended September 30, 2015 ($1,215 and $3,274 for the three and nine months ended September 30, 2014). Corporate cost allocations that are reflected in R&D expenses totaled $128 and $380 for the three and nine months ended September 30, 2015 ($183 and $513 for the three and nine months ended September 30, 2014).

The Company and Nuvo considered these general corporate expense allocations to be a reasonable reflection of the underlying nature of the operations of these entities and of the utilization of services provided. The allocations may not, however, reflect the expense the Company would have incurred as a stand-alone company. Actual costs which may have been incurred if the Company had been a stand-alone public company during the three and nine months ended September 30, 2015 and 2014 would depend on a number of factors, including how the Company chose to organize itself, what if any functions were outsourced or performed by Company employees and strategic decisions in areas such as infrastructure.

Funding
Funding for the Company is provided by Nuvo, the parent company.

17. SUBSEQUENT EVENT – PLAN TO SEPARATE COMPANY

In September 2015, Nuvo announced its plan to separate the Company by way of a court-approved Plan of Arrangement (the Arrangement) pursuant to the Business Corporations Act (Ontario).

Nuvo will continue to focus on the Pennsaid franchise including manufacturing, whereas Crescita will focus on innovative drug development in the immunology, pain and dermatology therapeutic areas.

Under the terms of the Arrangement, Nuvo will contribute an estimated $35.0 million to the Company to provide working capital and will provide transitional services for a defined period of time.

The implementation of the Arrangement will be subject to, among other things, board, shareholder, court and regulatory approvals, including TSX acceptance of the Arrangement. Nuvo must hold a special meeting of shareholders to approve the Arrangement. The record and meeting dates are expected to take place during the first quarter of 2016.

18. SUBSEQUENT EVENT – 2015 WF10 TRIAL TOP LINE RESULTS

In December 2015, the Company announced top line results of the 2015 WF10 Trial. The top line results showed that patients dosed with WF10 did not report a reduction in symptoms that was significantly better than patients dosed with a saline placebo at any of the endpoints being measured in the study. There was no significant difference in the performance of WF10 relative to placebo when patients were exposed to grass and ragweed pollen in the Environmental Exposure Chamber or when they were exposed to naturally occurring allergens during the field portion of the study. The Company believes that the results are not sufficient to justify the further development of WF10 for the treatment of allergic rhinitis and plans to discontinue all WF10 development.

19. SUBSEQUENT EVENT – PLIAGLIS NORTH AMERICAN RIGHTS REACQUISITION

In December 2015, the Company reacquired the development and marketing rights for Pliaglis for the U.S., Canada and Mexico. Under the terms of the agreement, Nuvo paid Galderma approximately $174 (CHF125) and will pay an additional $174 (CHF125) upon transfer of certain rights and documents. Galderma will continue to market Pliaglis in the U.S. and Canada and pay a royalty on net sales during the agreed upon transition period. The Company will receive a fixed single digit royalty on net sales in the territories outside of North America that Galderma still owns.

SCHEDULE "B"

FINANCIAL STATEMENTS OF 2487001 ONTARIO LIMITED

Financial Statements of 2487001 Ontario Limited
As at and for the Period Ended December 31, 2015

Management's Report

The accompanying Financial Statements of 2487001 Ontario Limited have been prepared by management and approved by the Board of Directors of Nuvo Research Inc. (Nuvo). Management is responsible for the information and representations contained in these financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

To assist management in discharging these responsibilities, Nuvo maintains a system of procedures and internal controls which are designed to provide reasonable assurance that its assets are safeguarded, that transactions are executed in accordance with management's authorization, and that the financial records form a reliable base for the preparation of accurate and timely financial information.

Nuvo's external auditors are appointed by the shareholders of Nuvo. They independently perform the necessary tests of accounting records and procedures to enable them to report their opinion as to the fairness of the Financial Statements of 2487001 Ontario Limited and their conformity with IFRS.

The Board of Directors ensures that management fulfills its responsibilities for financial reporting and internal control. The Board of Directors exercises this responsibility through an Audit Committee composed of three Directors, all of whom are not involved in the day-to-day operations of the Nuvo. The Audit Committee meets quarterly with management, and with external auditors to review audit recommendations and any matters that the auditors believe should be brought to the attention of the Board of Directors. The Audit Committee reviews the Financial Statements of 2487001 Ontario Limited and recommends their approval to the Board of Directors.

Chairman and
Co-Chief Executive Officer
January 4, 2016

President and
Co-Chief Executive Officer
January 4, 2016

Vice President
and Chief Financial Officer
January 4, 2016

INDEPENDENT AUDITORS' REPORT

To the Director of 2487001 Ontario Limited

We have audited the accompanying financial statements of 2487001 Ontario Limited, which comprise the statement of financial position as at December 31, 2015 and the statements of income and comprehensive income and retained earnings for the period from date of incorporation, October 14, 2015, to December 31, 2015 and a summary of significant accounting policies and other explanatory information (together the "financial statements").

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

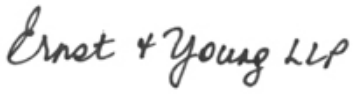
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements presents fairly, in all material respects, the financial position of 2487001 Ontario Limited as at December 31, 2015, and its financial performance for the period then ended in accordance with International Financial Reporting Standards.



January 4, 2016
Toronto, Canada

Chartered Professional Accountants
Licensed Public Accountants

2487001 ONTARIO LIMITED

STATEMENT OF FINANCIAL POSITION

	As at December 31, 2015
(Canadian dollars in thousands)	**$**
TOTAL ASSETS	**-**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	**-**

STATEMENT OF INCOME AND COMPREHENSIVE INCOME

	Period from Incorporation on October 14, 2015 to December 31, 2015
(Canadian dollars in thousands)	**$**
Revenues	-
Expenses	-
Income before income taxes	-
Income tax expense	-
NET INCOME	-
Other comprehensive income	-
COMPREHENSIVE INCOME	**-**

STATEMENT OF RETAINED EARNINGS

	Period from Incorporation on October 14, 2015 to December 31, 2015
(Canadian dollars in thousands)	**$**
Retained earnings, beginning of period	-
Net Income	-
RETAINED EARNINGS, END OF PERIOD	**-**

See accompanying Notes.

On behalf of the Board of Directors

Anthony E. Dobranowski, Director

Dr. Klaus von Lindeiner, Director

2487001 ONTARIO LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1. BACKGROUND AND BASIS OF PREPARATION

The Company (2487001 Ontario Limited or Holdco) was incorporated on October 14, 2015 under the Business Corporations Act (Ontario). Holdco was inactive from the date of its incorporation to December 31, 2015.

On September 14, 2015, the Board of Directors of Nuvo Research® Inc. (Nuvo) unanimously approved, in principle, a transaction to separate the drug development operations of Nuvo to its shareholders and establish the business as a separate publicly traded company, if approved by Nuvo shareholders. This distribution is to be implemented by way of a court-approved plan of arrangement under the Business Corporations Act (Ontario) (the Arrangement) and is subject to shareholder and regulatory approvals.

On December 14, 2015, the Board of Directors of Nuvo unanimously approved a proposal to separate the drug development operations of Nuvo to its shareholders as a separate publicly traded company, if approved by Nuvo shareholders. Under the Arrangement, Nuvo shareholders will receive common shares of Crescita Therapeutics Inc., a new public company and retain their common shares of Nuvo.

Pursuant to the Arrangement, Holdco will amalgamate with 2487002 Ontario Limited on the effective date of the Arrangement and will become a publicly traded company. The amalgamated company's name will be Crescita Therapeutics Inc.

Statement of Compliance
These financial statements have been prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. All amounts are presented in Canadian dollars.

These financial statements were issued and effective as at January 4, 2016, the date the Board of Directors approved the financial statements.

2. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares and an unlimited number of first and second preferred shares, issuable in series, the number, designation, rights, privileges, restrictions and conditions of which are to be determined by the Nuvo Board of Directors. As at December 31, 2015, there are no shares of any class issued or outstanding.

SCHEDULE "C"

AUDIT COMMITTEE CHARTER

CRESCITA THERAPEUTICS INC.

AUDIT COMMITTEE CHARTER

PURPOSE

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

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

- The Company's annual financial statements are fairly presented in accordance with Canadian generally accepted accounting principles and to recommend to the Board whether the annual financial statements should be approved.

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

- The Company has appropriate systems of internal control over the safeguarding of assets and financial reporting to ensure compliance with legal and regulatory requirements.

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

COMPOSITION AND TERMS OF OFFICE

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

- The chair of Committee shall be appointed by the Board and shall not be an officer or employee of the Company or its affiliates. The chair of the Committee shall be a "financial expert" having an understanding of GAAP and financial statements, internal controls and procedures for financial reporting and, if possible, shall have served as the principal financial officer for another business entity.

- Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director of the Company. Each member of the Committee shall hold office until the close of the next annual meeting of the Company or until the member resigns or is replaced, whichever first occurs.

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

- If all members consent, and proper notice has been given or waived, a member or members of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other, and a member participating in such a meeting by any such means is deemed to be present at that meeting.

- A quorum for the transaction of business at all meetings of the Committee shall be a majority of the members of the Committee. Questions arising at any meeting shall be determined by a majority of votes of the members of the Committee present, and in case of an equality of votes the Chair of Committee shall have a second casting vote.

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

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

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

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

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

DUTIES AND RESPONSIBILITIES

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

Financial Reporting Control

The Committee shall:

- Review reports from senior officers of the Company, outlining any significant changes in financial risks facing the Company;

- Review the management letter of the external auditors and responses to suggestions made;

- Annually review the Audit Committee Charter and the performance of the Committee itself;

- Review any new appointments to senior positions of the Company or its affiliates, with financial reporting responsibilities; and,

- Obtain assurance the external auditors regarding the overall control environment and the adequacy of accounting system controls.

Interim Financial Statements

The Committee shall:

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

- Review the Company's MD&A and press releases accompanying interim financial statements.

Annual Financial Statements and Other Financial Information

The Committee shall:

- Review any changes in accounting policies or financial reporting requirements that may affect the current year's financial statements;
- Obtain summaries of significant transactions and other potentially difficult matters whose treatment in the annual financial statements merits advance consideration;
- Obtain draft annual financial statements in advance of the Committee meeting and assess, on a preliminary basis, the reasonableness of the financial statements in light of the analyses provided by officers of the Company;
- Review a summary provided by the Company's general counsel of the status of any material pending or threatened litigation, claims and assessments;
- Discuss the annual financial statements and the auditors' report thereon in detail with officers of the Company and its auditors;
- Review the annual report and other annual financial reporting documents including management's discussion and analysis;
- Provide to the Board a recommendation as to whether the annual financial statements should be approved;
- Review insurance coverage including directors' and officers' liability coverage ; and
- Review the Company's Annual Information Form ("**AIF**") and ensure compliance with FORM 52-110F1, audit committee information required in an AIF.

External Audit Terms of Reference, Reports, Planning and Appointment

The Committee shall:

- Ensure that the external auditor explicitly acknowledges that they are ultimately and directly accountable to the Board and the Committee as representatives of the shareholders;
- Review the audit plan with the external auditors;
- Specify its expectations of the external auditors, including the expected relationship between the external auditors and the Committee;
- Discuss in private with the external auditors matters affecting the conduct of their audit and other corporate matters, including:
    a. the quality (not only acceptability) of Canadian GAAP accounting principles;
    b. the quality of internal controls;
    c. the appropriateness of financial statement disclosures; and
    d. any other matters the external auditors may wish to bring to the attention of the Committee.
- Recommend to the Board each year the retention or replacement of the external auditors. This process shall include establishment of criteria for and an ongoing assessment of the continued independence of the external auditor. If there is a plan to change auditors, review all issues related to the change and the steps planned for an orderly transition; and

- Annually review and recommend for approval to the Board the terms of engagement and the remuneration of the external auditors.

Other Matters

The Committee shall:

- Pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the issuer's external auditor.

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

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

ACCOUNTABILITY

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

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

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

SCHEDULE "D"

CORPORATE GOVERNANCE GUIDELINES

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

CORPORATE GOVERNANCE GUIDELINES

INTRODUCTION

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

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

Schedule 1	-	Board of Directors Charter
Schedule 2	-	Position Description for Chair of the Board
Schedule 3	-	Position Description for Lead Director of the Board
Schedule 4	-	CCGNC Charter
Schedule 5	-	Position Description for CCGNC Chair
Schedule 6	-	Position Description for Audit Committee Chair
Schedule 7	-	Code of Conduct and Business Ethics

GUIDELINES

Board of Directors' Responsibilities

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

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

In performing their duties, the primary responsibility of the directors is to exercise their business judgment in what they reasonably believe to be the best interests of the Corporation. In discharging that obligation, directors should be entitled to rely on the honesty and the integrity of the Corporation's senior management and outside advisors and auditors. The directors also should be entitled to have the Corporation purchase reasonable directors' and officers' liability insurance on their behalf, and to the benefits of indemnification to the fullest extent permitted by applicable law and to exculpation as provided by applicable law.

In fulfilling its statutory mandate and discharging its duty of stewardship of the Corporation, the Board of Directors assumes responsibility for those matters set forth in its Charter (which also is its mandate).

Board of Directors' Size

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

Chair of the Board of Directors

The Board of Directors believes that, at this time, it is appropriate for the Corporation to have a Chair who is not independent. The Chair should carry out his or her responsibilities in accordance with the position description for the Chair.

Because the Chair is not independent, a Lead Director has been appointed by the Board of Directors. The Lead Director should carry out his or her responsibilities in accordance with the written position description for the Lead Director.

Selection of Directors

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

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

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

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

Committee Membership

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

Evaluating Board of Directors and Committee Performance

The CCGNC will conduct an annual assessment of the effectiveness of the Board of Directors and each of the committees.

Board of Directors and Committee Meetings

The Board of Directors and each committee should meet as provided in its respective charter.

An agenda for each meeting of the Board of Directors and each committee meeting will be provided to each director and each member of the relevant committee. Any director or member of a committee may suggest the inclusion of subjects on the

agenda of meetings of the Board of Directors or a committee. Each director and each member of a committee is free to raise at a meeting of the Board of Directors or a committee meeting, respectively, subjects that are not on the agenda for that meeting.

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

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

Unless the chair of a committee otherwise determines, the agenda, materials and minutes for each committee meeting will be available on request to all directors, and all directors will be free to attend any committee meeting. All meetings of a committee will have a session in which the members of the committee will meet with no non- committee members present and at any time in a meeting of a committee, directors who are not members may be asked to leave the meeting to ensure free and open discussion and communication among members of the committee. It is at the Board of Directors' discretion as to whether directors who are not members of a committee will be compensated for attending meetings of that committee.

Director Compensation

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

Expectations of Directors

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

> ***Commitment and Attendance***. All directors should strive to attend all meetings of the Board of Directors and the committees of which they are members. Attendance by telephone or video conference may be used when necessary to facilitate a director's attendance.
>
> ***Participation in Meetings***. Each director should be sufficiently familiar with the business of the Corporation, including its financial statements and capital structure, and the risks it faces, to ensure active and effective participation in the deliberations of the Board of Directors and of each committee on which he or she serves.
>
> ***Loyalty and Ethics***. In their roles as directors, all directors owe a duty of loyalty to the Corporation. This duty of loyalty mandates that the best interests of the Corporation take precedence over any other interest possessed by a director. Directors should conduct themselves in accordance with the Corporation's Code of Business Conduct and Ethics.
>
> ***Contact with Senior Management and Employees***. All directors should be free to contact any of the members of the Corporation's senior management at any time to discuss any aspect of the Corporation's business. The Board of Directors expects that there will be frequent opportunities for directors to meet with members of senior management in meetings of the Board of Directors and committees, or in other formal or informal settings.
>
> ***Confidentiality***. The proceedings and deliberations of the Board of Directors and its committees are confidential. Each director will maintain the confidentiality of information received in connection with his or her service as a director.

Orientation and Continuing Education

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

SCHEDULE 1

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

BOARD OF DIRECTORS CHARTER

PURPOSE

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

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

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

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

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

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

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

- Review and, where appropriate, approve the recommendations made by the various committees of the Board of Directors.

COMPOSITION

The Board of Directors collectively should possess a broad range of skills, expertise, industry and other knowledge, and business and other experience useful to the effective oversight of the Corporation's business. The Board of Directors should be comprised of that number of individuals which will permit the Board of Directors' effective functioning. The appointment and removal of directors shall occur in accordance with the *Business Corporations Act* (Ontario) and the Corporation's by-laws. A majority of the Board of Directors should meet the independence requirements of applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators. The Board of Directors has adopted a set of categorical standards for determining whether directors satisfy those requirements for independence. A copy of those standards is attached as **Appendix A.** The Board of Directors, upon the recommendation of the CCGNC, shall designate the Chair and Lead Director by majority vote of the Board of Directors.

MEETINGS

The Board of Directors shall meet at least four times each year and more frequently as circumstances require. All members of the Board of Directors should strive to be at all meetings. The Board of Directors may meet separately, periodically, without senior management, and may request any member of the Corporation's senior management or the Corporation's outside advisors or auditor to attend meetings of the Board of Directors.

COMMITTEES

The Board of Directors may delegate authority to individual directors and committees where the Board of Directors determines it is appropriate to do so. The Board of Directors expects to accomplish a substantial amount of its work through committees and shall form at least the following two committees: the Audit Committee and the CCGNC. The Board of Directors may, from time to time, establish or maintain additional standing or special committees as it determines to be necessary or appropriate. Each committee should have a written charter and should report regularly to the Board of Directors, summarizing the committee's actions and any significant issues considered by the committee.

INDEPENDENT ADVICE

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

ANNUAL EVALUATION

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

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

- Review and assess the adequacy of this Charter and the position description for the Chair and Lead Director and make any improvements the Board of Directors determines to be appropriate.

APPENDIX A

CATEGORICAL STANDARDS FOR DETERMINING INDEPENDENCE OF DIRECTORS

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

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

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

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

    a. Employment: Is (or has been) an officer or employee (or, in the case of an immediate family member, an executive officer) or (in the case of the director only) of the Corporation or any of its subsidiaries (collectively, the "**Corporation Group**") or is actively involved in the day-to-day management of the Corporation;

    b. Direct Compensation: Receives (or has received) direct compensation during any twelve-month period from the Corporation Group (other than director fees and committee fees and pension or other forms of deferred compensation for prior service, provided it is not contingent on continued service);[2]

    c. Auditor Relationship. Is (or has been) a partner or employee of a firm that is the Corporation's auditor (provided that in the case of an immediate family member, he or she participates in its audit, assurance or tax compliance (but not tax planning practice)) and if during that time, he or she or an immediate family member was a partner or employee of that firm but no longer is such, he or she or the immediate family member personally worked on the Corporation's audit;

    d. Material Commercial Relationship. Has (or has had), or is an executive officer, employee or significant shareholder of a person that has (or has had), a significant commercial relationship with the Corporation Group;

    e. Cross-Compensation Committee Link. Is employed as an executive officer of another entity whose compensation committee (or similar body) during that period of employment included a current executive officer of the Corporation; or

    f. Material Association. Has (or has had) a close association with an executive officer of the Corporation.

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

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

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

SCHEDULE 2

CRESCITA THERAPEUTICS INC.

CHAIR OF THE BOARD OF DIRECTORS

POSITION DESCRIPTION

The Chair is a director who is designated by the Board of Directors to assist the Board of Directors in fulfilling its duties effectively and efficiently.

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

Chair

The responsibilities of the Chair include:

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

SCHEDULE 3

CRESCITA THERAPEUTICS INC.

LEAD DIRECTOR OF THE BOARD

POSITION DESCRIPTION

The Lead Director is an "independent" director who is designated by the Board of Directors to assist the Board of Directors in fulfilling its duties independent of management. The Lead Director role also exists to ensure that directors have an independent leadership contact.

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

Lead Director

The responsibilities of the Lead Director include:

- Acting as an independent liaison between the Board of Directors and senior management,
- Together with the Chair, promoting a thorough understanding by members of the Board of Directors and management of the duties and responsibilities of the Board of Directors,
- Together with the Chair, recommending procedures to enhance the work of the Board of Directors,
- Working with the Chair to ensure that the Board of Directors is appropriately involved in approving strategy and supervising management's progress against achieving that strategy,
- Ensuring that independent directors have had adequate opportunities to discuss issues without management present,
- Communicating to senior management, as appropriate, the results of private discussions among independent directors,
- Together with the Chair, in connection with meetings of the Board of Directors:
    - scheduling meetings of the Board of Directors,
    - organizing and presenting the agenda for Board of Directors meetings such that,
        - all of the responsibilities assigned to the Board of Directors under the terms of its Charter are discharged on a timely and diligent basis, and
        - members of the Board of Directors have input into the agendas,
    - monitoring the adequacy of materials provided to the Board of Directors by management in connection with the Board of Directors deliberations,
    - ensuring that members of the Board of Directors have sufficient time to review the materials provided to them and to fully discuss the business that comes before the Board of Directors,
    - presiding over meetings of the Board of Directors where the Chair is not in attendance, and
    - presiding over executive meetings of the Board of Directors, its non-management directors and its independent directors,

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

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

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

SCHEDULE 4

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

COMPENSATION, CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER

PURPOSE

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

- Recruit, develop and retain senior management,
- Conduct performance evaluations and determine compensation of senior management,
- Develop succession planning systems and processes relating to senior management,
- Develop a compensation structure for the Board of Directors and senior management, including salaries, annual and long-term incentive plans and plans involving share options, share issuances and share unit awards,
- Deal with all material benefit plan matters,
- Develop to the Board of Directors appropriate corporate governance principles for the Corporation,
- Develop procedures for the conduct of Board meetings, and the proper discharge of the Board of Directors' mandate,
- Oversee periodic reviews of the Board of Directors', its committees' and individual directors' performance and the assessment of the Board of Directors' and committees charters,
- Undertake such other initiatives to enable the Board of Directors to provide effective corporate governance,
- Develop criteria for selecting new directors,
- Assist the Board of Directors by identifying individuals qualified to become members of the Board of Directors (consistent with criteria approved by the Board of Directors),
- Develop a list of director nominees for the annual meeting of shareholders and for each committee of the Board of Directors and the chair of each committee, and
- Make recommendations, if required, to the Board of Directors with respect to the matters listed above.

REPORTS

The CCGNC shall report to the Board of Directors on a regular basis, and in any event at least annually. The CCGNC shall prepare a report on the Corporation's system of corporate governance practices for inclusion in the management information circular or other public disclosure documents of the Corporation. The CCGNC also shall prepare a report disclosing the extent (if any) to which the Corporation does not comply with the corporate governance guidelines of applicable legislation, regulatory requirements and policies of the Canadian securities administrators.

COMPOSITION

The members of the CCGNC shall be three directors who are appointed (and may be replaced) by the Board of Directors. The appointment of members of the CCGNC shall take place annually at the first meeting of the Board of Directors after a meeting of shareholders at which directors are elected, provided that if the appointment of members of the CCGNC is not so

made, the directors who are then serving as members of the CCGNC shall continue as members of the CCGNC until their successors are appointed. The Board of Directors may appoint a member to fill a vacancy that occurs in the CCGNC between annual elections of directors. Any member of the CCGNC may be removed from the CCGNC by a resolution of the Board of Directors. Unless the Chair is appointed by the Board of Directors, the members of the CCGNC may designate a Chair by majority vote of the members of the CCGNC.

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

RESPONSIBILITIES

Corporate Governance and Compliance

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

- Review from time to time the size of the Board of Directors and number of directors who are independent for the purpose of applicable requirements,

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

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

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

- Periodically review the relationship between senior management and the Board of Directors with a view to ensuring that the Board of Directors is able to function independently of senior management, and

- Make recommendations, if required, to the Board of Directors with respect to the matters listed above.

Compensation

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

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

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

- Periodically review compensation of directors, the Chair, the Lead Director and those acting as committee chairs to, among other things, ensure their compensation appropriately reflects the responsibilities they are assuming,

- Fix and determine (and, as it determines to be appropriate, delegate the authority to fix and determine) awards (and the vesting criteria thereof) to employees of stock or stock options pursuant to any of the Corporation's equity-

based plans now or from time to time in effect or otherwise as permitted by applicable legislation, regulatory requirements and policies of the Canadian securities administrators and applicable stock exchanges and exercise such other power and authority as may be permitted or required under those plans,

- In co-operation with the Corporation's senior management, oversee the human resources policies and programs which are of strategic significance to the Corporation,
- Review all executive compensation disclosure prior to public disclosure by the Corporation,
- Periodically review with the Board of Directors the succession plans relating to the senior positions and make selections of individuals to occupy these positions, and
- Make recommendations, if required, to the Board of Directors with respect to the matters listed above.

Director Candidates

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

- Review periodically the competencies, skills and personal qualities required of directors to add value to the Corporation in light of the opportunities and risks facing the Corporation and the Corporation's proposed strategies, the need to ensure that a majority of the Board of Directors is comprised of individuals who meet the independence requirements of applicable legislation and stock exchange requirements, and the policies of the Board of Directors with respect to director tenure, retirement and succession and director commitments,
- In co-operation with the Corporation's senior management, oversee an appropriate orientation and education for any new directors in order to familiarize them with the Corporation and its business,
- Actively seek individuals qualified (in context of the Corporation's needs and any formal criteria established by the Board of Directors) to become members of the Board of Directors for recommendation to the Board of Directors,
- Review the membership and allocation of directors to the various committees of the Board of Directors, and the chairs thereof,
- Establish procedures for the receipt of comments from all directors to be included in an periodic assessment of the Board of Director's performance,
- If the need should arise, approve the engagement of independent advisors for individual directors at the expense of the Corporation, and
- Make recommendations, if required, to the Board of Directors with respect to the matters listed above.

MEETINGS

The CCGNC shall meet at least twice per year and more frequently as circumstances require. All members of the CCGNC should strive to be at all meetings. The CCGNC shall meet separately, periodically, with senior management and may request any member of the Corporation's senior management or the Corporation's outside counsel to attend meetings of the CCGNC or with any members of, or advisors to, the CCGNC. The CCGNC will also meet in camera at each of its regularly scheduled meetings.

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

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

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

INDEPENDENT ADVICE

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

ANNUAL EVALUATION

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

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

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

SCHEDULE 5

CRESCITA THERAPEUTICS INC.

(the "**Corporation**")

CHAIR OF THE COMPENSATION, CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

POSITION DESCRIPTION

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

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

- A thorough understanding by members of the CCGNC and senior management of the duties and responsibilities of the CCGNC, and
- Cohesiveness among members of the CCGNC.

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

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

- Recommending procedures to enhance the work of the CCGNC,
- Taking the principal initiative in scheduling meetings of the CCGNC,
- Organizing and presenting the agenda for CCGNC meetings such that:
    - all of the responsibilities assigned to the CCGNC under the terms of its Charter are discharged on a timely and diligent basis, and
    - members of the CCGNC have input into the agendas,
- Monitoring the adequacy of materials provided to the CCGNC by senior management in connection with the CCGNC's deliberations,
- Ensuring that members of the CCGNC have sufficient time to review the materials provided to them and to fully discuss the business that comes before the CCGNC, and
- Presiding over meetings of the CCGNC. On an annual basis, the Chair will facilitate:
- The performance review and evaluation of the CCGNC and its members in accordance with the Charter, and
- A review and assessment of the adequacy of the Charter and this position description, and following such review and assessment, make a recommendation to the Board of Directors with respect to any changes the CCGNC deems appropriate.

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

SCHEDULE 6

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

CHAIR OF THE AUDIT COMMITTEE

POSITION DESCRIPTION

The Chair is a member of the Audit Committee, designated by the Board of Directors to assist the Audit Committee in fulfilling its duties effectively and efficiently in accordance with the written charter of the Audit Committee.

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

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

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

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

- Recommending procedures to enhance the work of the Committee,
- Taking the principal initiative in scheduling meetings of the Audit Committee,
- Organizing and presenting the agenda for Audit Committee meetings such that:
    - all of the responsibilities assigned to the Audit Committee under the terms of its Charter are discharged on a timely and diligent basis, and
    - members of the Audit Committee have appropriate input into the agendas,
- Monitoring the adequacy of materials provided to the Audit Committee by senior management and the independent auditors in connection with the Audit Committee's deliberations,
- Ensuring that members of the Audit Committee have sufficient time to review the materials provided to them and to fully discuss the business that comes before the Audit Committee, and
- Presiding over meetings of the Audit Committee. On an annual basis, the Chair will facilitate:
- The performance review and evaluation of the Audit Committee and its members in accordance with the Charter, and
- A review and assessment of the adequacy of the Charter and this position description, and following such review and assessment, make a recommendation to the Board of Directors with respect to any improvements the Audit Committee deems appropriate.

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

SCHEDULE 7

CRESCITA THERAPEUTICS INC.

CODE OF CONDUCT AND BUSINESS ETHICS

PURPOSE OF THIS CODE

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

- Promote honest and ethical conduct
- Promote avoidance of conflicts of interest
- Promote full, fair, accurate, timely and understandable disclosure
- Promote compliance with applicable governmental laws, rules and regulations
- Promote the prompt internal reporting to an appropriate person of violation of the Code

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

WORKPLACE

Non-Discriminatory Environment

Crescita Therapeutics Inc. ("Crescita" or "the Company") provides equal employment opportunities to all persons. The Company does not discriminate against Crescita Personnel or potential employees or directors on the basis of race, color, religion, sex, national origin, age, disability, political affiliation or any other grounds prohibited by law.

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

A Work Environment Free of Harassment

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

DRESS CODE

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

HEALTH AND SAFETY, ENVIRONMENTAL

Environmental

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

Health and Safety

Crescita makes every effort to provide a safe and healthy working environment.

The Company has adopted a Health and Safety Policy, which states that Company's programs meet or exceed industry standards and applicable government codes, standards and regulations. Inspections are conducted by the local Health and Safety Committee to ensure compliance with the standards and regulations.

Information and Communication Systems

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

Management has the right and the duty to control the company's electronic communications systems and their use.

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

Crescita reserves the right to monitor the contents of electronic communications to support operational, maintenance, auditing, security and investigative activities.

Management reserves the rights to access, monitor, and disclose all messages for all purposes, including those subpoenaed for court cases.

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

Crescita employees are prohibited from participation in internet news groups, chat rooms and bulletin/message boards with respect to any business operations or activities of Crescita.

Guidelines:

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

- Any use of Crescita's name or service marks outside the course of the user's employment without the express written authorization of Crescita Management is prohibited.

- No media advertisement, internet page, electronic bulletin board posting, electronic mail message, voice mail message, or any other public representation about Crescita or on behalf of Crescita may be issued unless it has been approved in writing by an Authorized Spokesperson.

- Under no circumstances will information of a confidential, sensitive, or otherwise proprietary nature be placed or posted on the Internet or otherwise be disclosed to anyone outside the company.

- The electronic mail system is not to be used in ways that are disruptive or offensive to others, or in ways that are inconsistent with the professional image of the company.

- Display or transmission of sexually explicit images, messages, cartoons or any communication that can be construed as harassment or disparagement of others based on their race, national origin, sex, age, disability, or other inappropriate purpose is prohibited.

- Any use of the electronic mail system to solicit outside business ventures, to disclose confidential, sensitive or proprietary information, or for any other inappropriate purpose is also prohibited.

- The information systems will be used exclusively for the transmittal of business related information. The systems will not be used to solicit or address others regarding commercial, religious, or political causes, or for any other solicitations that are not work related, except as approved by Management.

- Installing or running any program which is not approved or provided by Crescita or downloading non-job related material is prohibited. Specifically, screen savers, games, jokes, etc. are common vectors for viruses and other malware. This unauthorized software can compromise system security and stability.

- For security purposes, users may not share account or password information with another person. System accounts are to be used only by the assigned user of the account for authorized purposes. Users must take all necessary precautions to prevent unauthorized access to Internet services.

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

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

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

Personal Blogs

Personal blogs or e-diaries are potentially disruptive to Crescita's operations and they must adhere to the following policies:

- Blogs are not corporate communications and employees must not represent or imply that they are expressing the opinion of the company.

- Bloggers must never disclose any confidential or proprietary information concerning the company.

- Bloggers need to be mindful of their responsibilities to the company and their co-workers. Any content of a blog, which is contrary to any aspect of company policy, is strictly forbidden.

THIRD PARTY RELATIONSHIPS

Conflicts of Interest and Fair Dealings

Crescita Personnel will ensure that no conflict of interest exists between their personal interests and those of Crescita. Crescita's Personnel are committed to conducting their business affairs with honesty and integrity. In dealing with customers, suppliers, contractors, competitors, existing and potential business partners and other Crescita employees, Crescita Personnel are required to avoid any relationship or activity that might create, or appear to create, a conflict between their personal interests and the interests of Crescita.

Competition

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

Ethical Business Conduct

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

Crescita employees, other than "Authorized Spokesperson(s)", are not authorized to respond to any inquiries from the public, e.g. the investment community or the media, unless specifically asked to do so by an authorized spokesperson.

Directorships

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

LEGAL COMPLIANCE

Compliance with Laws

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

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

If employees are unsure as to the applicability of any law, they should refer the matter to their supervisor who may obtain advice from the Company's Chairman and Chief Executive Officer or President and Chief Executive Officer.

Directors should seek advice from legal counsel.

Insider Trading

It is illegal for Crescita Personnel to purchase or sell Crescita shares based on inside information or to improperly disclose inside information to any third party. Crescita Personnel are required to comply with the Crescita Insider Trading Policy.

Public Disclosure of Material Information Crescita complies with all applicable securities laws and regulations to ensure material, non-public information (inside information) is disclosed using proper authority and in accordance with the law. Crescita Personnel must comply with Crescita's Corporate Disclosure Policy and provide full, fair, accurate, understandable and timely disclosure of material information in reports and documents filed with securities regulatory authorities and in other materials made available to the investing public.

INFORMATION, RECORDS AND PROPERTY

Financial Reporting

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

Record Retention

Crescita maintains all records in accordance with laws and regulations regarding retention of business records. The term "business records" covers a broad range of files, reports, business plans, receipts, policies and communications, including hard copy, electronic, audio recording, microfiche and microfilm files whether maintained at work or at home.

Protection of Company Assets

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

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

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

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

COMPLIANCE WITH THE CODE OF CONDUCT AND ETHICS

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

Alternatively, if a Crescita Personnel is uncomfortable raising the concern with their supervisor or the Manager, Human Resources, they may report their concerns on a confidential basis via mail, e-mail or telephone to an outside reporting agency designated by Crescita. The outside agency will communicate the concern or alleged breach of this Code of Conduct and Business Ethics to appropriate management without revealing the identity or information that might allow management to identify the reporting person. If the concern is not resolved to the satisfaction of the Crescita Personnel after the completion of all steps typically used by the reporting agency, the concern will be brought to the attention of the Lead Director of the Crescita Board of Directors.

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

NON-COMPLIANCE WITH THE CODE OF CONDUCT AND BUSINESS ETHICS

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

APPENDIX N

FORM OF CRESCITA INCENTIVE PLAN

CRESCITA THERAPEUTICS INC.

SHARE INCENTIVE PLAN

ARTICLE ONE
DEFINITIONS AND INTERPRETATION

1.01 Definitions:

For purposes of the Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

(a) "**Act**" means the *Business Corporations Act* (Ontario) or its successor, as amended from time to time;

(b) "**Aggregate Contribution**" means the aggregate of a Participant's Contribution and the related Corporation's Contribution;

(c) "**Arrangement Date**" has the meaning given to it in the Plan of Arrangement;

(d) "**Arrangement Options**" means Options issued as part of the Plan of Arrangement in partial exchange for Outstanding Nuvo Options;

(e) "**Arrangement Participant**" has the meaning given to it in Section 4.13(c);

(f) "**Arrangement Time**" has the meaning given to it in the Plan of Arrangement;

(g) "**Basic Annual Salary**" means the basic annual remuneration of a Participant from the Corporation and its Designated Affiliates exclusive of any overtime pay, bonuses or allowances of any kind whatsoever;

(h) "**Committee**" means the Directors or, if the Directors so determine in accordance with Section 2.03 of the Plan, the committee of the Directors authorized to administer the Plan;

(i) "**Common Shares**" means the common shares of the Corporation, as adjusted in accordance with the provisions of Article Seven of the Plan;

(j) "**Corporation**" means 2487001 Ontario Limited, a corporation incorporated under the Act, and its successors;

(k) "**Corporation's Contribution**" means the amount the Corporation credits a Participant under Section 3.04 or Section 3.11;

(l) "**Crescita**" means, prior to the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Plan of Arrangement, 2487001 Ontario Limited, a corporation incorporated under the Act, and from and after the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Arrangement, Crescita Therapeutics Inc., the corporation under the Act formed by the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Plan of Arrangement, and its successors;

(m) "**Crescita Common Shares**" means the common shares of Crescita, as adjusted in accordance with the provisions of Article Seven of the Plan;

(n) "**Designated Affiliate**" means the affiliates of the Corporation designated by the Committee for purposes of the Plan from time to time;

(o) "**Directors**" means the board of directors of the Corporation from time to time;

(p) "**Eligible Directors**" means the Directors or the directors of any Designated Affiliate from time to time;

(q) "**Eligible Employees**" means employees and officers, whether Directors or not, and including both full-time and part-time employees, of the Corporation or any Designated Affiliate of the Corporation, and includes a personal registered retirement savings plan of an Eligible Employee and a personal holding company controlled by an Eligible Employee;

(r) "**Employment Contract**" means any contract between the Corporation or any Designated Affiliate and any Eligible Employee, Eligible Director or Other Participant relating to, or entered into in connection with, the employment of the Eligible Employee, the appointment or election of the Eligible Director or the engagement of the Other Participant or any other agreement to which the Corporation or a Designated Affiliate is a party with respect to the rights of such Participant in respect of a change in control of the Corporation or the termination of employment, appointment, election or engagement of such Participant;

(s) "**Holding Period**" means a period of 12 months or such longer period as may be required by law or the Stock Exchange or any regulatory authority having jurisdiction over the securities of the Corporation;

(t) "**Issue Price**" means, for the purposes of Section 3.06, the weighted average price of the Common Shares on the Stock Exchange for the calendar quarter in respect of which Common Shares are being issued under the Share Purchase Plan and for the purposes of Section 3.11, the weighted average price of the Common Shares on the Stock Exchange for the three month period ending immediately preceding the month in which Common Shares are being issued under the Share Purchase Plan;

(u) "**Nuvo**" means Nuvo Research Inc., a corporation formed under the Act, which, pursuant to the Plan of Arrangement, will change its name from "Nuvo Research Inc." to "Nuvo Pharmaceuticals Inc.", and its successors;

(v) "**Nuvo Consultant**" has the meaning given to it in Section 4.13(c);

(w) "**Nuvo Designated Affiliate**" means the affiliates of Nuvo designated by the board of directors of Nuvo or the committee of the board of directors of Nuvo authorized to administer the Nuvo Incentive Plan in accordance with its terms;

(x) "**Nuvo Employment Contract**" means any contract between Nuvo or any Nuvo Designated Affiliate and any Arrangement Participant relating to, or entered into in connection with, the employment of the Arrangement Participant, the appointment or election of the Arrangement Participant or the engagement of the Arrangement Participant or any other agreement to which Nuvo or a Nuvo Designated Affiliate is a party with respect to the rights of such Arrangement Participant in respect of the termination of employment, appointment, election or engagement of such Arrangement Participant, as such contract or agreement exists immediately prior to the Arrangement Time;

(y) "**Nuvo Incentive Plan**" means Nuvo's share incentive plan, as amended and restated from time to time;

(z) "**Option**" means an option to purchase Common Shares granted pursuant to, or governed by, the Plan;

(aa) "**Optionee**" means a Participant to whom an Option has been granted pursuant to the Share Option Plan;

(bb) "**Option Period**" means the period of time during which the particular Option may be exercised;

(cc) "**Other Participant**" means any person or corporation engaged to provide ongoing management or consulting services for the Corporation or a Designated Affiliate, or any employee of such person or corporation, other than an Eligible Director or an Eligible Employee;

(dd) "**Outstanding Nuvo Options**" means options to acquire common shares of Nuvo outstanding immediately prior to the Arrangement Time and which, as part of the Plan of Arrangement, were exchanged for Arrangement Options and cancelled;

(ee) "**Participant**" with respect to the Share Purchase Plan means each Eligible Employee and Other Participant and with respect to the Share Option Plan and Share Bonus Plan means each Eligible Director, Eligible Employee and Other Participant;

(ff) "**Participant's Contribution**" means the amount a Participant elects to contribute to the Share Purchase Plan under Section 3.03(a) or Section 3.03(b) of the Plan;

(gg) "**Plan**" means this share incentive plan which includes the Share Purchase Plan, the Share Option Plan and the Share Bonus Plan;

(hh) "**Plan of Arrangement**" means the plan of arrangement proposed under Section 182 of the Act, a copy of which is attached as Schedule A to this Plan;

(ii) "**Share Bonus Plan**" means the share bonus plan described in Article Five hereof;

(jj) "**Share Option Plan**" means the share option plan described in Article Four hereof;

(kk) "**Share Purchase Plan**" means the share purchase plan described in Article Three hereof; and

(ll) "**Stock Exchange**" means The Toronto Stock Exchange, or if the Common Shares are not listed on The Toronto Stock Exchange, such other principal market upon which the Common Shares are traded as designated by the Committee from time to time.

1.02 Securities Definitions:

In the Plan, the terms "affiliate", "associate", "insider" and "subsidiary" shall have the meaning given to such terms in the *Securities Act* (Ontario).

1.03 Headings:

The headings of all articles, sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.

1.04 Context, Construction:

Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

1.05 References to this Plan:

The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to the Plan as a whole and not to any particular article, section, paragraph or other part hereof.

1.06 Canadian Funds:

Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada.

ARTICLE TWO
PURPOSE AND ADMINISTRATION OF THE PLAN

2.01 Purpose of the Plan:

The Plan provides for the acquisition of Common Shares by Participants for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of key employees and directors of the Corporation and the Designated Affiliates of the Corporation and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the ownership of Common Shares by key employees and directors of the Corporation and Designated Affiliates of the Corporation, it being generally recognized that share incentive plans aid in attracting, retaining and encouraging employees and directors due to the opportunity offered to them to acquire a proprietary interest in the Corporation.

2.02 Administration of the Plan:

The Plan shall be administered by the Committee and the Committee shall have full authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary or desirable in order to comply with the requirements of the Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary or desirable for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the Plan shall be for the account of the Corporation.

2.03 Delegation to Committee:

All of the powers exercisable hereunder by the Directors may, to the extent permitted by applicable law and as determined by resolution of the Directors, be exercised by a committee of the Directors comprised of not less than three Directors, including any compensation committee of the Directors.

2.04 Record Keeping:

The Corporation shall maintain a register in which shall be recorded:

(a) the name and address of each Optionee;

(b) the number of Common Shares subject to Options granted to each Optionee;

(c) the aggregate number of Common Shares subject to Options;

(d) the name and address of each Participant in the Share Purchase Plan;

(e) the Participants' Contributions and the Corporation's Contributions in respect of each Participant; and

(f) the number of Common Shares held in safekeeping for the account of a Participant.

2.05 Determination of Participants:

The Committee shall from time to time determine the Participants who may participate in the Share Purchase Plan, the Share Option Plan and the Share Bonus Plan. The Committee shall from time to time determine the number of Common Shares to be issued to any Participant under the Share Bonus Plan, the Participants to whom Options shall be granted, the number of Common Shares to be made subject to and the expiry date of each Option granted to each Participant and the other terms of each Option granted to each Participant, all such determinations to be made in accordance with the terms and conditions of the Plan, and the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Corporation and any other factors which the Committee deems appropriate and relevant.

2.06 Maximum Number of Shares:

(a) The maximum number of Common Shares made available for, and reserved for issuance under, the Plan shall be determined from time to time by the Committee but, in any case, shall not exceed 15% of the total number of Common Shares then outstanding; provided that the maximum number of Common Shares that may be issued under the Share Bonus Plan shall not exceed 3% of the number of Common Shares outstanding immediately following the Arrangement Time. The aggregate number of Common Shares reserved for issuance to any one person upon the exercise of Options shall not exceed 5% of the total number of Common Shares then outstanding. For certainty, to the extent (i) Options granted under the Share Option Plan have been exercised, expire or are otherwise terminated, new Options may be granted in respect thereof, and (ii) Common Shares have been issued pursuant to the Share Purchase Plan, new Common Shares may be issued in respect thereof.

(b) In the event that the Corporation purchases Common Shares for cancellation or any conversion, exchange or purchase rights for Common Shares attached to any securities of the Corporation expire or otherwise are

extinguished, the Corporation shall be deemed to be in compliance with the foregoing maximum limits, if immediately prior to such purchase, expiration or other extinguishment, the Corporation was in compliance with such limit.

2.07 Plan of Arrangement:

Pursuant to the terms of the Plan of Arrangement, this Plan shall be assumed by Crescita on the Arrangement Date at the time provided for in the Plan of Arrangement and, at such time, each outstanding Option will be deemed an Option to acquire an equivalent number of Crescita Common Shares at the same exercise price and on the same terms as are provided for in such outstanding Option. Accordingly, at and after such time, references to the "Corporation" in this Plan shall be deemed to be references to Crescita Therapeutics Inc.

ARTICLE THREE
SHARE PURCHASE PLAN

3.01 The Share Purchase Plan:

A Share Purchase Plan is hereby established for Eligible Employees and Other Participants.

3.02 Participants:

Participants entitled to participate in the Share Purchase Plan shall be Eligible Employees or Other Participants who have been providing services to the Corporation or any Designated Affiliates for at least 12 consecutive months. The Committee, shall have the right, in its absolute discretion, to waive such 12 month period or to determine that the Share Purchase Plan does not apply to any Eligible Employee or Other Participant.

3.03 Election to Participate in Share Purchase Plan and Participant's Contribution:

(a) Any Participant may elect to contribute money to the Share Purchase Plan in any calendar year if the Participant, prior to the end of the immediately preceding calendar year, delivers to the Corporation a written direction in form and substance satisfactory to the Corporation authorizing the Corporation to deduct from the remuneration of the Participant the Participant's Contribution in equal instalments.

(b) If, on December 31 of any year, a Participant has not been continuously providing service to the Corporation or any of its Designated Affiliates for at least 12 consecutive months (unless such 12-month requirement is waived by the Committee), then, in the calendar quarter during which such Participant reaches six consecutive months of service, such Participant may elect to make a Participant's Contribution with respect to the balance of that calendar year, commencing at the beginning of the next calendar quarter, by delivering to the Corporation the written direction referred to above.

(c) The Participant's Contribution shall not exceed 10% (unless changed by the Committee), before deductions, of the Participant's Basic Annual Salary; provided that, in the event of any employee electing to make a Participant's Contribution for less than a full year in accordance with paragraph (b) above, his or her Basic Annual Salary shall be pro-rated for the balance of that calendar year.

(d) No adjustment shall be made to the Participant's Contribution until the next succeeding calendar year, and then only if a new written direction shall have been delivered to the Corporation for such calendar year. The Participant's Contribution shall be held by the Corporation in trust for the purposes of the Share Purchase Plan.

3.04 Corporation's Contribution:

Immediately prior to the date any Common Shares are issued to a Participant in accordance with Section 3.06, the Corporation will credit the Participant with and thereafter hold in trust for the Participant an amount equal to the Participant's Contribution then held in trust by the Corporation.

3.05 Aggregate Contribution:

The Corporation shall not be required to segregate the Aggregate Contribution from its own corporate funds or to pay interest thereon.

3.06 Issue of Shares:

(a) As soon as practicable following March 31, June 30, September 30 and December 31 in each calendar year the Corporation shall issue for the account of each Participant fully paid and non-assessable Common Shares equal in value to the Aggregate Contribution held in trust as of such date by the Corporation converted into Common Shares at the applicable Issue Price. If such conversion would otherwise result in the issue for the account of a Participant of a fraction of a Common Share, the Corporation will issue only such whole Common Shares as are issuable.

(b) The Corporation shall hold any unused balance of the Aggregate Contribution in trust for a Participant until used in accordance with the Share Purchase Plan.

3.07 Safekeeping and Delivery of Shares:

(a) All Common Shares issued for the account of a Participant in accordance with Section 3.06 will be held in safekeeping by the Corporation and will be delivered, subject as provided in the Share Purchase Plan, to such Participant upon the expiry of the Holding Period from the date of issue of such Common Shares. If the Corporation receives, on behalf of a Participant in respect of any Common Shares so held:

(i) cash dividends;

(ii) options or rights to purchase additional securities of the Corporation or any other corporation;

(iii) any notice of meeting, proxy statement and proxy for any meeting of holders of Common Shares of the Corporation; or

(iv) other or additional Common Shares or other securities (by way of dividend or otherwise);

then the Corporation shall forward to such Participant, at his or her last address according to the register maintained under Section 2.04, any of the items listed in Section 3.07(a)(i), (ii) and (iii); and shall hold in safekeeping any additional securities referred to in Section 3.07(a)(iv) and shall deliver such securities to the Participant with delivery of the Common Shares in respect of which such additional securities were issued.

(b) Any Common Shares held for the account of an Eligible Employee in safekeeping by the Corporation will be distributed to an Eligible Employee or the estate of the Eligible Employee, prior to the expiry of the applicable Holding Period only upon:

(i) the date of the commencement of the Eligible Employee's retirement in accordance with the Corporation's normal retirement policy;

(ii) the date of the commencement of the total disability of the Eligible Employee determined in accordance with the Corporation's normal disability policy; or

(iii) the date of death of the Eligible Employee.

(c) Any Common Shares held for the account of an Other Participant in safekeeping by the Corporation will be distributed to the Other Participant or the estate of the Other Participant, prior to the expiry of the applicable Holding Period only upon:

(i) the date of the commencement of the Other Participant's retirement in accordance with the Corporation's normal retirement policy, or in the case of an Other Participant that is not an individual, the date of the commencement of the retirement of the primary individual providing services to the Corporation on behalf of the Other Participant;

(ii) the date of the commencement of the total disability of the Other Participant, or in the case of an Other Participant that is not an individual, the date of the commencement of the total disability of the primary individual providing the services to the Corporation or Designated Affiliate on behalf of the Other Participant, determined in accordance with the Corporation's normal disability policy; or

(iii) the date of death of the Other Participant or, in the case of an Other Participant that is not an individual, the date of death of the primary individual providing the services to the Corporation or Designated Affiliate on behalf of the Other Participant.

(d) If there is a take-over bid (within the meaning of the *Securities Act* (Ontario)) made for all or a portion of the issued and outstanding Common Shares, then the Committee may, by resolution, make any Common Shares held in trust for a Participant immediately deliverable in order to permit such shares to be tendered to such bid. In addition the Committee may, by resolution, permit the Corporation's Contribution to be made and Common Shares issued for the then Aggregate Contribution prior to expiry of any such take-over bid in order to permit such shares to be tendered to such bid.

3.08 Termination of Employment:

If a Participant shall cease to be employed by, or provide services to, the Corporation or any of its Designated Affiliates for any reason or shall receive notice from the Corporation of the termination of his or her contract of service or employment:

(a) the Participant shall automatically cease to be entitled to participate in the Share Purchase Plan;

(b) any portion of the Participant's Contribution then held in trust for the Participant shall be paid to the Participant or the estate of the Participant;

(c) any portion of the Corporation's Contribution then held in trust for the Participant shall be paid to the Corporation; and

(d) any Common Shares then held in safekeeping for a Participant shall, subject to Section 3.07 in the case of retirement, disability or death, and subject to the provisions of the Act, remain in safekeeping until the expiry of the Hold Period.

3.09 Election to Withdraw from Share Purchase Plan:

Any Participant may at any time elect to withdraw from the Share Purchase Plan. In order to withdraw the Participant must give at least two weeks' notice to the Corporation in writing in form and substance satisfactory to the Corporation directing the Corporation to cease deducting from the Participant's remuneration the Participant's Contribution. Deductions will cease to be made commencing with the first pay date following expiry of the two week notice. The Participant's Contribution will continue to be held in trust. On the next following date for making the Corporation's Contribution the Corporation will credit the Participant with the pro rata amount of the Corporation's Contribution, calculated in accordance with Section 3.04. The issuance and delivery of Common Shares will not be accelerated by such withdrawal but will occur on the date on which such Common Shares would otherwise have been issued in accordance with Section 3.06 and delivered to the Participant in accordance with Section 3.07 had the Participant not elected to withdraw from the Share Purchase Plan.

3.10 Necessary Approvals:

The obligation of the Corporation to issue and deliver any Common Shares in accordance with the Share Purchase Plan shall be subject to any necessary approval of any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation. If any Common Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate and any Participant's Contribution held in trust for a Participant shall be returned to the Participant without interest.

3.11 Alternative Purchase:

In lieu of making Participants' Contributions pursuant to Section 3.03(a) and Section 3.03(b), the Directors may authorize an alternative form of Participant's Contribution each year, and upon such authorization, all Participants may make a Participant's Contribution on or before December 31 of such year, based on the Participant's Basic Annual Salary for the preceding calendar year and in accordance with Section 3.03(c), and the Corporation shall contribute and credit the Participant with an amount equal to the Participant's Contribution. As soon as practicable following December 31 in each calendar year, and upon receipt of a written undertaking from the Participant to hold such Common Shares until the expiry of the Holding Period the Corporation shall issue and immediately deliver to each Participant or the trustee of the Participant's self directed registered retirement savings plan fully paid and non-assessable Common Shares equal in value to the Aggregate Contribution converted into Common Shares at the applicable Issue Price. If such conversion would otherwise result in the issue for the account of a Participant of a fraction of a Common Share, the Corporation will issue only such whole Common Shares as are issuable. The Corporation shall hold any unused balance of the Aggregate Contribution in trust for a Participant until used in accordance with the Share Purchase

Plan. The Directors may in their sole discretion amend the Plan to delete this Section 3.11 and make amendments to the corresponding provisions of the Plan at any time without the approval of the shareholders of the Corporation.

ARTICLE FOUR
SHARE OPTION PLAN

4.01 The Share Option Plan and Participants:

A Share Option Plan is hereby established for Eligible Directors, Eligible Employees and Other Participants.

4.02 Option Agreement:

Each Option granted to a Participant shall be evidenced by a stock option agreement setting out the terms and conditions consistent with the provisions of the Plan, which terms and conditions need not be the same in each case and which terms and conditions may be changed from time to time.

4.03 Exercise Price:

Subject to Section 4.13(b), the price per share at which any Common Share which is the subject of an Option may be purchased shall be determined by the Committee at the time the Option is granted, provided that such price shall not be less than the closing price of the Common Shares on the Stock Exchange on the last trading day immediately preceding the date of grant of such Option.

4.04 Term of Option:

The Option Period for each Option shall be such period of time as shall be determined by the Committee, subject to any Employment Contract, provided that no Option Period shall exceed 10 years.

4.05 Lapsed Options:

If Options granted under the Share Option Plan are surrendered, terminate or expire without being exercised in whole or in part, new Options may be granted covering the Common Shares not purchased under such lapsed Options.

4.06 Limit on Options to be Exercised:

Except as otherwise specifically provided in any Employment Contract, in Section 4.10 of the Plan, or by resolution of the Directors or the Committee, Options may be exercised (in each case to the nearest full share) during the Option Period as follows:

(a) At any time during the Option Period after the end of the first year thereof, the Participant may purchase up to one third of the aggregate number of Common Shares subject to such Option;

(b) At any time during the Option Period after the end of the second year thereof, the Participant may purchase an additional one third of the aggregate number of Common Shares subject to such Option plus any Common Shares not purchased in accordance with paragraph (a) above; and

(c) At any time during the Option Period after the expiration of the third year thereof, the Participant may purchase any Common Shares subject to such Option not purchased in accordance with paragraphs (a) and (b) above.

The Directors or the Committee may, at any time, waive the foregoing vesting requirements.

4.07 Eligible Participants on Exercise:

Subject to Section 4.06, an Option may be exercised by the Optionee in whole at any time, or in part from time to time, during the Option Period, provided however that, except as otherwise specifically provided in Section 4.10 or Section 4.11 hereof or in any Employment Contract or any resolution of the Directors or the Committee, no Option may be exercised unless the Optionee at the time of exercise thereof is:

(a) in the case of an Eligible Employee, an officer of the Corporation or a Designated Affiliate or in the employment of the Corporation or a Designated Affiliate and has been continuously an officer or so employed since the date of grant of such Option, provided however that a leave of absence with the approval

of the Corporation or such Designated Affiliate shall not be considered an interruption of employment for purposes of the Plan;

(b) in the case of an Eligible Director who is not also an Eligible Employee, a director of the Corporation or a Designated Affiliate and has been such a director continuously since the date of grant of such Option; and

(c) in the case of an Other Participant, engaged, directly or indirectly, in providing ongoing management or consulting services for the Corporation or a Designated Affiliate and has been so engaged since the date of the grant of such Option.

4.08 Payment of Exercise Price:

The issue of Common Shares on exercise of any Option shall be contingent upon receipt by the Corporation of payment of the aggregate purchase price for the Common Shares in respect of which the Option has been exercised by cash or certified cheque delivered to the registered office together with a validly completed notice of exercise. No Optionee or legal representative, legatee or distributee of any Optionee will be, or will be deemed to be, a holder of any Common Shares with respect to which such Optionee was granted an Option, unless and until certificates for such Common Shares are issued to such Optionee, or them, under the terms of the Plan. Upon an Optionee exercising an Option and paying the Corporation the aggregate purchase price for the Common Shares in respect of which the Option has been exercised, the Corporation shall as soon as practicable issue and deliver a certificate representing the Common Shares so purchased.

4.09 Acceleration on Take-over Bid:

If there is a take-over bid (within the meaning of the *Securities Act* (Ontario)) made for all or any of the issued and outstanding Common Shares, then the Committee may, by resolution, permit all Options outstanding to become immediately exercisable, notwithstanding Section 4.06 hereof, in order to permit Common Shares issuable under such Options to be tendered to such bid.

4.10 Effect of Death:

If a Participant or, in the case of an Other Participant which is not an individual, the primary individual providing services to the Corporation or Designated Affiliate on behalf of the Other Participant, shall die, any Option held by such Participant or Other Participant at the date of such death shall become immediately exercisable notwithstanding Section 4.06 hereof, and shall be exercisable in whole or in part only by the person or persons to whom the rights of the Optionee under the Option shall pass by the will of the Optionee or the laws of descent and distribution for a period of nine months (or such other period of time as is otherwise provided in an Employment Contract) after the date of death of the Optionee or prior to the expiration of the Option Period in respect of the Option, whichever is sooner, and then only to the extent that such Optionee was entitled to exercise the Option at the date of death of such Optionee.

4.11 Effect of Termination of Employment:

If a Participant shall:

(a) cease to be a director of the Corporation and any of its Designated Affiliates (and is not or does not continue to be an employee thereof) for any reason (other than death); or

(b) cease to be employed by, or provide services to, the Corporation or any of its Designated Affiliates (and is not or does not continue to be a director or officer thereof), or any corporation engaged to provide services to the Corporation or the Designated Affiliates, for any reason (other than death) or shall receive notice from the Corporation or any of its Designated Affiliates of the termination of their Employment Contract;

(collectively a "**Termination**"), except as otherwise provided in any Employment Contract or any resolution of the Directors or the Committee, such Participant may, but only within 60 days next succeeding such Termination, exercise their Options to the extent that such Participant was entitled to exercise such options at the date of such Termination, provided that notwithstanding the foregoing or any Employment Contract, in no event shall such right extend beyond the Option Period. This Section 4.11 is subject to any Employment Contract or any other agreement to which the Corporation or its Designated Affiliates is a party with respect to the rights of such Participant upon Termination or change in control of the Corporation.

4.12 Necessary Approvals:

The obligation of the Corporation to issue and deliver any Common Shares in accordance with the Share Option Plan shall be subject to any necessary approval of any stock exchange or regulatory authority having jurisdiction over the securities of the

Corporation. If any Common Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate and any Option exercise price paid to the Corporation shall be returned to the Participant.

4.13 Plan of Arrangement.

(a) For all purposes under the Share Option Plan, Arrangement Options granted in exchange for Outstanding Nuvo Options pursuant to the Plan of Arrangement shall be deemed to have been originally granted under this Share Option Plan but shall also be deemed a continuation of the Outstanding Nuvo Options for which they are exchanged as part of the Plan of Arrangement. Accordingly, the date on which an Arrangement Option is granted for purposes of the Share Option Plan shall be deemed to be the date of the grant of the Outstanding Nuvo Option for which such Arrangement Option was exchanged as part of the Plan of Arrangement notwithstanding that this Plan was not effective at such time.

(b) The price per share at which any Common Share which is the subject of an Arrangement Option may be purchased shall be an amount equal to the Butterfly Proportion (as such term is defined in the Plan of Arrangement) of the original exercise price of the Outstanding Nuvo Option for which such Arrangement Option was exchanged as part of the Plan of Arrangement.

(c) Notwithstanding anything contained herein to the contrary, each person that holds an Outstanding Nuvo Option immediately prior to the Arrangement Time (each such person, an "**Arrangement Participant**") shall, for so long as such Arrangement Participant remains a director, officer or employee of Nuvo or any Nuvo Designated Affiliate, or provides ongoing management or consulting services for Nuvo or any Nuvo Designated Affiliate (each such person, a "**Nuvo Consultant**") or is an employee of a Nuvo Consultant, as applicable, be permitted to hold and exercise his or her Arrangement Options in accordance with their terms and the terms of this Plan as though such Arrangement Participant is an Eligible Director, Eligible Employee or Other Participant, as applicable, and be deemed, as applicable, to be a "Participant" for such purposes, and, for greater certainty, any reference to an "Employment Contract" in this Plan shall be deemed to include any Nuvo Employment Contract applicable to such Arrangement Participant. Upon any Arrangement Participant ceasing to be a director, officer or employee of Nuvo or its Nuvo Designated Affiliates, or a Nuvo Consultant or employee of a Nuvo Consultant, as applicable, provided that at such time such Arrangement Participant is not, or does not concurrently become, an Eligible Director, Eligible Officer or Other Participant, such Arrangement Participant shall be treated for the purposes of the Share Option Plan as having ceased to be so employed with or engaged by the Corporation and its Designated Affiliates and such Arrangement Participant's Arrangement Options shall be dealt with in accordance with Section 4.11 of the Plan.

ARTICLE FIVE
SHARE BONUS PLAN

5.01 The Share Bonus Plan:

A Share Bonus Plan is hereby established for Eligible Directors and Eligible Employees and Other Participants.

5.02 Participants:

The Committee shall have the right to determine, in its sole and absolute discretion, to issue for no cash consideration to any Participant any number of Common Shares as a discretionary bonus subject to such provisions and restrictions (including such vesting provisions) as the Committee may determine.

5.03 Necessary Approvals:

The obligation of the Corporation to issue and deliver any Common Shares in accordance with the Share Bonus Plan shall be subject to any necessary approvals of any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation. If any Common Shares cannot be issued to any Participant under the Share Bonus Plan for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate.

ARTICLE SIX
WITHHOLDING TAXES AND SECURITIES LAWS OF THE UNITED STATES OF AMERICA

6.01 Withholding Taxes:

The Corporation or any Designated Affiliate of the Corporation may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Corporation or any Designated Affiliate of the Corporation is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Option or Common Share including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Common Shares to be issued upon the exercise of any Option, until such time as the Participant has paid the Corporation or any Designated Affiliate of the Corporation for any amount which the Corporation or Designated Affiliate of the Corporation is required to withhold with respect to such taxes.

6.02 Securities Laws of the United States of America:

Neither the Options which may be granted pursuant to the provisions of the Share Option Plan nor the Common Shares which may be acquired pursuant to the exercise of Options or participation in the Share Purchase Plan or Share Bonus Plan have been registered under the United States Securities Act of 1933, as amended (the "**U.S. Act**"), or under any securities law of any state of the United States of America. Accordingly, any Participant who is issued Common Shares or granted an Option in a transaction which is subject to the U.S. Act or the securities laws of any state of the United States of America may be required to represent, warrant, acknowledge and agree that:

(a) the Participant is acquiring the Option and/or any Common Shares as principal and for the account of the Participant;

(b) in granting the Option and/or issuing the Common Shares to the Participant, the Corporation is relying on the representations and warranties of the Participant to support the conclusion of the Corporation that the granting of the Option and/or the issue of Common Shares do not require registration under the U.S. Act or have to be qualified under the securities laws of any state of the United States of America;

(c) each certificate representing Common Shares issued may be required to have the following legends:

> "THE COMMON SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), AND MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (C) WITH THE PRIOR WRITTEN CONSENT OF THE CORPORATION, PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS."
>
> "THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT GOOD DELIVERY OF THE COMMON SHARES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE. A CERTIFICATE WITHOUT A LEGEND MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT FOR THE COMMON SHARES OF THE CORPORATION IN CONNECTION WITH A SALE OF THE COMMON SHARES REPRESENTED HEREBY UPON DELIVERY OF THIS CERTIFICATE AND AN EXECUTED DECLARATION BY THE SELLER, IN A FORM SATISFACTORY TO THE REGISTRAR AND TRANSFER AGENT AND THE CORPORATION, TO THE EFFECT THAT SUCH SALE IS BEING MADE IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT.";

provided that if such Common Shares are being sold outside the United States of America in compliance with the requirements of Rule 904 of Regulation S under the U.S. Act the foregoing legends may be removed by providing a written declaration by the holder to the registrar and transfer agent for the Common Shares to the following effect:

> "The undersigned (a) represents and warrants that the sale of the securities of Crescita Therapeutics Inc. (the "**Corporation**") to which this declaration relates is being made in compliance with Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (b) certifies that (1) the undersigned is not an affiliate of the Corporation as that term is defined in the U.S. Securities Act, (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the undersigned and any person acting on behalf of the undersigned reasonably believe that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of The Toronto Stock Exchange and neither the undersigned nor any person acting on behalf of the undersigned knows that the transaction has been prearranged with a buyer in the United States, and (3) neither the undersigned nor any affiliate of the undersigned nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.";

(d) other than as contemplated by paragraph (c) above, prior to making any disposition of any Common Shares acquired pursuant to the Plan which might be subject to the requirements of the U.S. Act, the Participant shall give written notice to the Corporation describing the manner of the proposed disposition and containing such other information as is necessary to enable counsel for the Corporation to determine whether registration under the U.S. Act or qualification under any securities laws of any state of the United States of America is required in connection with the proposed disposition and whether the proposed disposition is otherwise in compliance with such legislation and the regulations thereto;

(e) other than as contemplated by paragraph (c) above, the Participant will not attempt to effect any disposition of the Common Shares owned by the Participant and acquired pursuant to the Plan or of any interest therein which might be subject to the requirements of the U.S. Act in the absence of an effective registration statement relating thereto under the U.S. Act or an opinion of counsel satisfactory in form and substance to counsel for the Corporation that such disposition would not constitute a violation of the U.S. Act and then will only dispose of such Common Shares in the manner so proposed;

(f) the Corporation may place a notation on the records of the Corporation to the effect that none of the Common Shares acquired by the Participant pursuant to the Plan shall be transferred unless the provisions of the Plan have been complied with; and

(g) the effect of these restrictions on the disposition of the Common Shares acquired by the Participant pursuant to the Plan is such that the Participant may not be able to sell or otherwise dispose of such Common Shares for a considerable length of time in a transaction which is subject to the provisions of the U.S. Act other than as contemplated by paragraph (c) above.

ARTICLE SEVEN
GENERAL

7.01 Effective Time of Plan:

This Plan shall become effective on the Arrangement Date at the time specified in the Plan of Arrangement.

7.02 Amendment of Plan:

The Committee may from time to time in the absolute discretion of the Committee amend, modify and change the provisions of the Plan or any Options granted pursuant to the Plan without shareholder approval, provided that any amendment, modification or change to the provisions of the Plan or any Options granted pursuant to the Plan which would:

(a) materially increase the benefits under the Plan or any Options granted pursuant to the Plan;

(b) increase the number of Common Shares, other than by virtue of Section 7.06 and Section 7.07 of the Plan, which may be issued pursuant to the Plan; or

(c) materially modify the requirements as to eligibility for participation in the Plan;

shall only be effective upon such amendment, modification or change being approved by the shareholders of the Corporation if required by the Stock Exchange and any other regulatory authority having jurisdiction over the securities of the Corporation. Any amendment, modification or change of any provision of the Plan or any Options granted pursuant to the Plan shall be subject to approval, if required, by any regulatory authority having jurisdiction over the securities of the Corporation.

7.03 Non-Assignable:

No rights under the Plan and no Option awarded pursuant to the provisions of the Plan are assignable or transferable by any Participant other than pursuant to a will or by the laws of descent and distribution.

7.04 Rights as a Shareholder:

No Optionee shall have any rights as a shareholder of the Corporation with respect to any Common Shares which are the subject of an Option. No Optionee shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or other rights declared for shareholders of the Corporation for which the record date is prior to the date issue of certificates representing Common Shares.

7.05 No Contract of Employment:

Nothing contained in the Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Corporation or any Designated Affiliate nor interfere or be deemed to interfere in any way with any right of the Corporation or any Designated Affiliate to discharge any Participant at any time for any reason whatsoever, with or without cause. Participation in any of the Plans by a Participant shall be voluntary.

7.06 Consolidation, Merger, etc.:

If there is a consolidation, merger or statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities or a transfer of all or substantially all of the assets of the Corporation to another entity:

(a) each Participant for whom Common Shares are held in safekeeping under the Share Purchase Plan shall receive on the date that Common Shares would otherwise be delivered to the Participant the securities, property or cash to which the Participant would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the Participant had held the Common Shares immediately prior to such event; and

(b) upon the exercise of an Option under the Share Option Plan, the holder thereof shall be entitled to receive the securities, property or cash which the holder would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the holder had exercised the Option immediately prior to the effective time of such event, unless the directors of the Corporation otherwise determine the basis upon which such Option shall be exercisable.

7.07 Adjustment in Number of Shares Subject to the Plan:

In the event there is any change in the Common Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in:

(a) the number of Common Shares available under the Plan;

(b) the number of Common Shares subject to any Option; and

(c) the exercise price of the Common Shares subject to Options.

If the foregoing adjustment shall result in a fractional Common Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of the Plan.

7.08 Securities Exchange Take-over Bid:

In the event that the Corporation becomes the subject of a take-over bid (within the meaning of the *Securities Act* (Ontario)) pursuant to which 100% of the issued and outstanding Common Shares are acquired by the offeror either directly or as a result of the compulsory acquisition provisions of the incorporating statute, and where consideration is paid in whole or in part in equity securities of the offeror, the Committee may send notice to all Optionees requiring them to surrender their Options within 10 days of the mailing of such notice, and the Optionees shall be deemed to have surrendered such Options on the tenth day after the mailing of such notice without further formality, provided that:

(a) the offeror delivers with such notice an irrevocable and unconditional offer to grant replacement options to the Optionees on the equity securities offered as consideration;

(b) the Committee has determined, in good faith, that such replacement options have substantially the same economic value as the Options being surrendered; and

(c) the surrender of Options and the granting of replacement options can be effected on a tax free rollover basis under the *Income Tax Act* (Canada).

7.09 No Representation or Warranty:

The Corporation makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of the Plans.

7.10 Participation through RRSP's and Holding Companies:

Subject to the approval of the Committee, an Eligible Employee or Eligible Director may elect, at the time rights or Options are granted under the Plan, to participate in the Plan by holding any rights or Options granted under the Plan in a registered retirement savings plan established by such Eligible Employee or Eligible Director for the sole benefit of such Eligible Employee or Eligible Director or in a personal holding corporation controlled by such Eligible Employee or Eligible Director. For the purposes of this Section 7.10, a personal holding corporation shall be deemed to be controlled by an Eligible Employee or Eligible Director if (i) voting securities carrying more than 50% of the votes for the election of directors of such corporation are held, otherwise than by way of security only, by or for the benefit of such Eligible Employee or Eligible Director and the votes carried by such voting securities are entitled, if exercised, to elect a majority of the board of directors of such corporation, and (ii) all of the voting and equity securities of such corporation are directly or indirectly held, otherwise than by way of security only, by or for the benefit of such Eligible Employee or Eligible Director and/or his or her spouse, children or grandchildren. In the event that an Eligible Employee or Eligible Director elects to hold the rights or Options granted under the Plan in a registered retirement savings plan or personal holding corporation, the provisions of the Plan shall continue to apply as if the Eligible Employee or Eligible Director held such rights or Options directly.

7.11 Compliance with Applicable Law:

If any provision of the Plan or any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

7.12 Interpretation:

This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario.

SCHEDULE A

PLAN OF ARRANGEMENT

[See above.]

APPENDIX O

FORM OF CRESCITA RIGHTS PLAN

RIGHTS AGREEMENT

Dated as of [●], 2016,

between

CRESCITA THERAPEUTICS INC.

and

CST TRUST COMPANY

as Rights Agent

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THIS RIGHTS AGREEMENT (this "**Agreement**") dated as of **[●]**, 2016 between CRESCITA THERAPEUTICS INC., a corporation existing under the laws of Ontario (the "**Corporation**"), and CST TRUST COMPANY, a trust company incorporated under the laws of Canada, as Rights Agent (the "**Rights Agent**", which term shall include any successor Rights Agent hereunder),

WHEREAS the Board of Directors of the Corporation has determined that it is advisable to adopt a shareholder rights plan (the "**Rights Plan**"); and

WHEREAS in order to implement the Rights Plan, the Board of Directors of the Corporation has:

(1) authorized a distribution of one right (a "**Right**") in respect of each Common Share (as hereinafter defined) outstanding at the close of business on **[●]**, 2016 (the "**Record Time**"), such distribution to be made to shareholders of record at the Record Time, and

(2) authorized the issuance of one Right in respect of each Common Share issued after the Record Time and prior to the earlier of the Separation Time (as hereinafter defined) and the Expiration Time (as hereinafter defined); and

WHEREAS each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Corporation (or, in certain cases, of certain other entities) pursuant to the terms and subject to the conditions set forth herein; and

WHEREAS the Corporation desires to appoint the Rights Agent to act on behalf of the Corporation, and the Rights Agent is willing to so act, in connection with the issuance, transfer, exchange and replacement of Rights Certificates (as hereinafter defined), the exercise of Rights and other matters referred to herein;

NOW THEREFORE in consideration of the premises and the respective agreements set forth herein, the parties hereby agree as follows:

ARTICLE 1
CERTAIN DEFINITIONS

1.1 Certain Definitions

For purposes of this Agreement, the following terms have the meanings indicated:

(a) "**Acquiring Person**" shall mean any Person who is the Beneficial Owner of 20% or more of the outstanding Common Shares of the Corporation; provided, however, that the term "Acquiring Person" shall not include:

(i) the Corporation or any Subsidiary of the Corporation, any employee benefit plan, or trust for the benefit of employees of the Corporation or any Subsidiary of the Corporation, or any Person organized, appointed or established by the Corporation for or pursuant to the terms of any such plan or trust;

(ii) any Person who becomes the Beneficial Owner of 20% or more of the outstanding Common Shares of the Corporation as a result of one or any combination of:

(A) an acquisition or redemption by the Corporation of Common Shares of the Corporation which, by reducing the number of Common Shares outstanding, increases the proportionate number of Common Shares Beneficially Owned by such Person to 20% or more of the Common Shares of the Corporation then outstanding;

(B) share acquisitions made pursuant to a Permitted Bid ("**Permitted Bid Acquisitions**");

(C) share acquisitions (1) in respect of which the Board of Directors of the Corporation has waived the application of Section 3.1 pursuant to Sections 5.1(b) or 5.1(c) or (2) which were made pursuant to any dividend reinvestment plan of the Corporation or (3) pursuant to the receipt or exercise of rights issued by the Corporation to all the holders of the Common Shares to subscribe for or purchase Common Shares or Convertible Securities, provided that such rights are acquired directly from the Corporation and not from any other person or (4) pursuant to a distribution by the Corporation of Common Shares or Convertible Securities made pursuant to a prospectus provided that such securities are

acquired directly from the underwriter or agent and not from any other person or (5) pursuant to a distribution by the Corporation of Common Shares or Convertible Securities by way of a private placement by the Corporation or upon the exercise by an individual employee of stock options granted under a stock option plan of the Corporation or rights to purchase securities granted under a share purchase plan of the Corporation provided that such securities are acquired directly from the Corporation or the applicable underwriter or agent and not from any other person, and further provided that (i) all necessary stock exchange approvals for such private placement, stock option plan or share purchase plan have been obtained and such private placement, stock option plan or share purchase plan complies with the terms and conditions of such approvals and (ii) such Person does not become the Beneficial Owner of more than 25% of the Common Shares of the Corporation outstanding immediately prior to the distribution, and in making this determination the Common Shares to be issued to such Person in the distribution shall be deemed to be held by such Person but shall not be included in the aggregate number of outstanding Common Shares immediately prior to the distribution ("**Exempt Acquisitions**");

(D) the acquisition of Common Shares upon the exercise of Convertible Securities received by such Person pursuant to a Permitted Bid Acquisition, Exempt Acquisition or a Pro Rata Acquisition (as defined below) ("**Convertible Security Acquisitions**"); or

(E) acquisitions as a result of a stock dividend, a stock split or other event pursuant to which such Person receives or acquires Common Shares or Convertible Securities on the same *pro rata* basis as all other holders of Common Shares of the same class ("**Pro Rata Acquisitions**");

provided, however, that if a Person shall become the Beneficial Owner of 20% or more of the Common Shares of the Corporation then outstanding by reason of any one or a combination of (i) share acquisitions or redemptions by the Corporation or (ii) Permitted Bid Acquisitions or (iii) Exempt Acquisitions or (iv) Convertible Security Acquisitions or (v) Pro Rata Acquisitions and, after such share acquisitions or redemptions by the Corporation or Permitted Bid Acquisitions or Exempt Acquisitions or Convertible Security Acquisitions or Pro Rata Acquisitions, becomes the Beneficial Owner of more than an additional 1.00% of the number of Common Shares of the Corporation outstanding other than pursuant to any one or combination of share acquisitions or redemptions of shares by the Corporation, Permitted Bid Acquisitions, Exempt Acquisitions, Convertible Security Acquisitions or Pro Rata Acquisitions, then as of the date of any such acquisition such Person shall become an "Acquiring Person";

(iii) for a period of 10 days after the Disqualification Date, any Person who becomes the Beneficial Owner of 20% or more of the outstanding Common Shares as a result of such Person becoming disqualified from relying on Section 1.1(e)(iii)(B) solely because such Person makes or announces an intention to make a Takeover Bid, either alone or by acting jointly or in concert with any other Person. For the purposes of this definition, "Disqualification Date" means the first date of public announcement that any Person is making or intends to make a Takeover Bid; or

(iv) an underwriter or member of a banking or selling group that becomes the Beneficial Owner of 20% or more of the Common Shares in connection with a *bona fide* distribution to the public of securities.

(b) "**Affiliate**", where used to indicate a relationship with a specified Person, shall mean a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified Person.

(c) "**Agreement**" shall mean this shareholder rights plan agreement dated as of **[●]**, 2016 between the Corporation and the Rights Agent, as amended or supplemented from time to time;

(d) "**Associate**" of a specified Person shall mean any Person to whom such specified Person is married or with whom such specified Person is living in a conjugal relationship outside marriage, or any relative of such specified Person, said spouse or other Person who has the same home as such specified Person.

(e) A Person shall be deemed the "**Beneficial Owner**", and to have "**Beneficial Ownership**", of, and to "**Beneficially Own**":

(i) any securities as to which such Person or any of such Person's Affiliates or Associates is the owner at law or in equity;

(ii) any securities as to which such Person or any of such Person's Affiliates or Associates has the right to acquire (A) upon the exercise of any Convertible Securities, or (B) whether such right is exercisable immediately or within 60 days thereafter and whether or not on condition or the happening of any contingency or otherwise pursuant to any agreement, arrangement, or understanding (other than customary agreements with and between underwriters and banking group or selling group members with respect to a public offering of securities or pursuant to a pledge of securities); and

(iii) any securities which are Beneficially Owned within the meaning of clauses 1.1(e)(i) or (ii) above by any other Person with which such Person is acting jointly or in concert;

provided, however, that a Person shall not be deemed the "Beneficial Owner", or to have "Beneficial Ownership", of, or to "Beneficially Own", any security:

(A) where such security has been deposited or tendered pursuant to a tender or exchange offer or Takeover Bid made by such Person or any of such Person's Affiliates or Associates or any other Person referred to in clause 1.1(e)(iii) until the earliest time at which any such tendered security is accepted unconditionally for payment or exchange or is taken up and paid for;

(B) where such Person, any of such Person's Affiliates or Associates or any other Person referred to in clause 1.1(e)(iii), holds such security provided that (1) the ordinary business of any such Person (the "**Investment Manager**") includes the management of investment funds for others and such security is held by the Investment Manager in the ordinary course of such business in the performance of such Investment Manager's duties for the account of any other Person, or (2) such Person (the "**Trust Company**") is licensed to carry on the business of a trust company under applicable laws and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons or in relation to other accounts and holds such security in the ordinary course of such duties for the estates of such deceased or incompetent Persons or for such other accounts, or (3) such Person (the "**Plan Trustee**") is the administrator or trustee of one or more pension funds or plans (each a "**Plan**") registered under applicable laws and holds such security for the purposes of its activity as such, or (4) such Person is a Plan or is a Person established by statute (the "**Statutory Body**") for purposes that include, and the ordinary business or activity of such Person includes the management of investment funds for employee benefit plans, pension plans, insurance plans (other than plans administered by insurance companies) or various public bodies, or (5) such Person is a Crown agent or agency; provided in any of the above cases, that the Investment Manager, the Trust Company, the Plan Trustee, the Plan, the Statutory Body or the Crown agent or agency, as the case may be, is not then making a Takeover Bid or has not announced a current intention to make a Takeover Bid, other than an Offer to Acquire Common Shares or other securities pursuant to a distribution by the Corporation or by means of ordinary market transactions (including pre-arranged trades entered into in the ordinary course of business of such Person) executed through the facilities of a stock exchange or organized over-the-counter market, alone or by acting jointly or in concert with any other Person; or

(C) where such Person is a client of the same Investment Manager as another Person on whose account the Investment Manager holds such security, or where such Person is an account of the same Trust Company as another Person on whose account the Trust Company holds such security, or where such Person is a Plan and has a Plan Trustee who is also a Plan Trustee for another Plan on whose account the Plan Trustee holds such security; or

(D) where such Person is (i) a client of an Investment Manager and such security is owned at law or in equity by the Investment Manager, or (ii) an account of a Trust Company and such security is owned at law or in equity by the Trust Company, or (iii) a Plan and such security is owned at law or in equity by the Plan Trustee; or

(E) where such Person is the registered holder of securities as a result of carrying on the business of a securities depositary.

For purposes of this Agreement, the percentage of Common Shares Beneficially Owned by any Person, shall be and be deemed to be the product determined by the formula:

$100 \times A/B$

Where:

A = the number of votes for the election of all directors generally attaching to the Common Shares Beneficially Owned by such Person; and

B = the number of votes for the election of all directors generally attaching to all outstanding Common Shares.

For the purposes of the foregoing formula, where any person is deemed to Beneficially Own unissued Common Shares which may be acquired pursuant to Convertible Securities, such Common Shares shall be deemed to be outstanding for the purpose of calculating the percentage of Common Shares Beneficially Owned by such Person in both the numerator and the denominator, but no other unissued Common Shares which may be acquired pursuant to any other outstanding Convertible Securities shall, for the purposes of that calculation, be deemed to be outstanding.

(f) "**Board of Directors**" means the board of directors of the Corporation as the membership of which may change from time to time.

(g) "**Business Day**" shall mean any day other than a Saturday, Sunday or a day on which the Rights Agent is obliged to close in Toronto, Ontario.

(h) "**Canadian-U**.**S**. **Exchange Rate**" shall mean on any date the inverse of the U.S.-Canadian Exchange Rate.

(i) "**Canadian Dollar Equivalent**" of any amount which is expressed in United States dollars shall mean on any day the Canadian dollar equivalent of such amount determined by reference to the Canadian-U.S. Exchange Rate on such date.

(j) "**close of business**" on any given date shall mean the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the office of the transfer agent for the Common Shares in the City of Toronto (or, after the Separation Time, the offices of the Rights Agent in the City of Toronto) becomes closed to the public.

(k) "**Common Shares of the Corporation**" and "**Common Shares**" shall mean the common shares in the capital stock of the Corporation; provided, however, that "**Common Shares**", when used with reference to the capital stock of any Person other than the Corporation, shall mean the class or classes of equity shares or similar equity interests with the greatest per share voting power entitled to vote generally in the election of all directors of such other Person or the equity shares or other equity interests having power (whether or not exercised) to control or direct the management of such other Person or, if such other Person is a Subsidiary of another Person, the Person or Persons which ultimately control such other Person.

(l) "**Competing Permitted Bid**" means a Takeover Bid that:

(i) is made after a Permitted Bid has been made and prior to the expiry of the Permitted Bid;

(ii) satisfies all components of the definition of a Permitted Bid other than the requirements set out in the clause (ii) of that definition; and

(iii) contains, and the take-up and payment for securities tendered or deposited are subject to, an irrevocable and unqualified provision that no Common Shares will be taken up or paid for pursuant to the Takeover Bid prior to the close of business on the date that is no earlier than the date on which Common Shares may be taken up under any Permitted Bid (determined as of the date of making the Takeover Bid, assuming no amendment or variation to the terms and satisfaction of all conditions to the completion of the Permitted Bid) that preceded the Competing Permitted Bid.

(m) "Convertible Securities" means at any time:

(i) any right (contractual or otherwise and regardless of whether such right constitutes a security) to acquire Common Shares from the Corporation; and

(ii) any securities issued by the Corporation from time to time (other than the Rights) carrying any exercise, conversion or exchange right;

which is then exercisable or exercisable within a period of 60 days from that time pursuant to which the holder thereof may acquire Common Shares or other securities which are convertible into or exercisable or exchangeable for Common Shares (in each case, whether such right is then exercisable or exercisable within a period of 60 days from that time and whether or not on condition or the happening of any contingency).

(n) "**Co-Rights Agent**" shall have the meaning ascribed thereto in clause 4.1(a) hereof.

(o) "**Directors**" means the members of the Board of Directors.

(p) "**Exercise Price**" shall mean, as of any date from and after the Separation Time, the price at which a holder may purchase the securities issuable upon exercise of one whole Right and until adjustment thereof in accordance with the terms hereof, the Exercise Price shall be equal to five times the Market Price per Common Share determined as at the Separation Time.

(q) "**Expiration Time**" shall mean the earlier of:

(i) the Termination Time, and

(ii) the close of business on the tenth anniversary of the date hereof.

(r) "**Flip-in Event**" means a transaction occurring subsequent to the date of this Agreement as a result of which any Person shall become an Acquiring Person provided, however, that a Flip-in Event shall be deemed to occur at the close of business on the tenth day (or such earlier or later day as the Board of Directors of the Corporation may determine) after the Stock Acquisition Date.

(s) "**Independent Shareholders**" shall mean holders of Common Shares of the Corporation excluding (i) any Acquiring Person; or (ii) any Person that is making or has announced a current intention to make a Takeover Bid for Common Shares of the Corporation (including a Permitted Bid); or (iii) any Affiliate or Associate of such Acquiring Person or Persons referred to in clause (ii); or (iv) any Person acting jointly or in concert with such Acquiring Person or a Person referred to in clause (ii); or (v) a Person who is a trustee of any employee benefit plan, share purchase plan, deferred profit sharing plan or any similar plan or trust for the benefit of employees of the Corporation or a Subsidiary, unless the beneficiaries of the plan or trust direct the manner in which the Common Shares are to be voted or direct whether the Common Shares are to be tendered to a Takeover Bid.

(t) "**Market Price**" per share of any securities on any date of determination shall mean the simple average of the daily Closing Prices Per Share of such securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused the price used to determine the Closing Price Per Share on any Trading Day not to be fully comparable with the price used to determine the Closing Price Per Share on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day, each such price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the price per share used to determine the Closing

Price Per Share on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day. The "**Closing Price Per Share**" of any securities on any date shall be:

(i) the closing board lot sale price or, if such price is not available, the average of the closing bid and asked prices, for each share as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the Toronto Stock Exchange; or

(ii) if the securities are not listed or admitted to trading on the Toronto Stock Exchange, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the securities selected in good faith by the Board of Directors of the Corporation;

provided, however, that if on any such date the Closing Price Per Share cannot be determined in accordance with the foregoing, the Closing Price Per Share of such securities on such date shall mean the fair value per share of such securities on such date as determined in good faith by the Board of Directors of the Corporation after consultation with a nationally recognized investment dealer or investment banker with respect to the fair value per share of such securities. The Market Price shall be expressed in Canadian dollars and, if initially determined in respect of any day forming part of the 20 consecutive trading day period in question in United States dollars, such amount shall be translated into Canadian dollars at the Canadian Dollar Equivalent thereof. Notwithstanding the foregoing, where the Board of Directors is satisfied that the Market Price of securities as determined in the manner herein set out was affected by an anticipated or actual Takeover Bid or by improper manipulation, the Board of Directors may, acting in good faith, determine the Market Price of securities, such determination to be based on finding as to the price of which a holder of securities of that class could reasonably have expected to dispose of his securities immediately prior to the relevant date excluding any change in price reasonably attributable to the anticipated or actual Takeover Bid or to the improper manipulation.

(u) "**1933 Securities Act**" shall mean the Securities Act of 1933 of the United States, as amended, and the rules and regulations thereunder, and any comparable or successor laws or regulations thereto.

(v) "**1934 Exchange Act**" shall mean the Securities Exchange Act of 1934 of the United States, as amended, and the rules and regulations thereunder, and any comparable or successor laws or regulations thereto.

(w) "**Offer to Acquire**" shall include:

(i) an offer to purchase, or a solicitation of an offer to sell, Common Shares; and

(ii) an acceptance of an offer to sell Common Shares, whether or not such offer to sell has been solicited;

or any combination thereof, and the Person accepting an offer to sell shall be deemed to be making an offer to acquire to the Person that made the offer to sell.

(x) "**Offeror's Securities**" means Common Shares Beneficially Owned on the date of an Offer to Acquire by any Person who is making a Takeover Bid and "**Offeror**" means a Person who has announced a current intention to make or is making a Takeover Bid.

(y) "**Ontario Business Corporations Act**" shall mean the *Business Corporations Act* (Ontario), as amended, and the regulations thereunder, and any comparable or successor laws or regulations thereto.

(z) "**Permitted Bid**" means a Takeover Bid which is made in compliance with, and not on a basis which is exempt from or otherwise not subject to, the provisions of Part XX of the *Securities Act* (Ontario), and, if applicable, Sections 10, 13(d) and 14 of the 1934 Exchange Act and the regulations thereunder (or such comparable or successor laws or regulations, or, if such provisions shall be repealed and there shall be no comparable or successor laws or regulations, pursuant to the provisions of such laws as in effect on the date of this Agreement) and in compliance with all other applicable securities laws and regulations of all other relevant jurisdictions, and which also complies with the following additional provisions:

(i) the Takeover Bid is made to all holders of record of Common Shares wherever resident as registered on the books of the Corporation, other than the Offeror;

(ii) the Takeover Bid shall contain, and the provisions for the take-up and payment for Common Shares tendered or deposited thereunder shall be subject to, an irrevocable and unqualified condition that no Common Shares shall be taken up or paid for pursuant to the Takeover Bid prior to the close of business on a date which is not less than 120 days following the date of the Takeover Bid;

(iii) the Takeover Bid shall contain irrevocable and unqualified provisions that, unless the Takeover Bid is withdrawn, Common Shares may be deposited pursuant to the Takeover Bid at any time prior to the close of business on the date of first take-up or payment for Common Shares and that all Common Shares deposited pursuant to the Takeover Bid may be withdrawn at any time prior to the close of business on such date;

(iv) the Takeover Bid shall contain an irrevocable and unqualified condition that more than 50% of the outstanding Common Shares held by Independent Shareholders, determined as at the date of first take-up or payment for Common Shares under the Takeover Bid, must be deposited to the Takeover Bid and not withdrawn at the close of business on the date of first take-up or payment for Common Shares; and

(v) the Takeover Bid shall contain an irrevocable and unqualified provision that in the event that more than 50% of the then outstanding Common Shares held by Independent Shareholders shall have been deposited to the Takeover Bid as at the date of first take-up or payment for Common Shares under the Takeover Bid, the Offeror will make a public announcement of that fact and the Takeover Bid will remain open for deposits and tenders of Common Shares for not less than 10 Business Days from the date of such public announcement;

provided that if a Takeover Bid constitutes a Competing Permitted Bid, the term "Permitted Bid" shall also mean the Competing Permitted Bid.

(aa) "**Person**" shall mean any individual, firm, partnership, association, trust, trustee, personal representative, group (as such term is used in Rule 13d-5 under the 1934 Exchange Act, as in effect on the date of this Agreement), body corporate, corporation, unincorporated organization, syndicate or other entity.

(bb) "**Record Time**" shall mean the close of business on the date hereof.

(cc) "**Right**" shall mean each right to purchase Common Shares, upon the terms and conditions set forth in this Agreement.

(dd) "**Securities Act** (**Ontario**)" shall mean the Securities Act, R.S.O. 1990, c.S.5, as amended, and the regulations thereunder, and any comparable or successor laws or regulations thereto.

(ee) "**Separation Time**" shall mean the close of business on the tenth Business Day after the earlier of:

(i) the Stock Acquisition Date;

(ii) the date of the commencement of, or first public announcement of the intent of any Person (other than the Corporation or any Subsidiary of the Corporation) to commence, a Takeover Bid (other than a Takeover Bid which is a Permitted Bid), provided that, if any Takeover Bid referred to in this clause (ii) expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Takeover Bid shall be deemed, for purposes of this Section 1.1(ee), never to have been made; and

(iii) the date upon which a Permitted Bid ceases to be a Permitted Bid;

or such earlier or later date as may be determined by the Board of Directors of the Corporation acting in good faith.

(ff) "**Stock Acquisition Date**" shall mean the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to Section 101 of the *Securities Act* (Ontario) or Section 13(d) under the 1934 Exchange Act) by the Corporation or an Acquiring Person of facts indicating that a Person has become an Acquiring Person.

(gg) "**Subsidiary**" of any specified Person shall mean any corporation or other entity of which a majority of the voting power of the equity securities or a majority of the equity interests is Beneficially Owned, directly or indirectly, by such Person.

(hh) "**Takeover Bid**" means an Offer to Acquire Common Shares or securities convertible into Common Shares, where the Common Shares subject to the Offer to Acquire, together with the Common Shares into which the securities subject to the Offer to Acquire are convertible, and the Offeror's Securities, constitute in the aggregate 20% or more of the outstanding Common Shares at the date of the Offer to Acquire.

(ii) "**Termination Time**" shall mean the time at which the right to exercise Rights shall terminate pursuant to Section 5.1 or 5.18 hereof.

(jj) "**Trading Day**", when used with respect to any securities, shall mean a day on which the Toronto Stock Exchange or such other exchange which such securities are listed or admitted to trading is open for the transaction of business or, if the securities are not listed or admitted to trading on any Canadian securities exchange, a Business Day.

(kk) "**U.S.-Canadian Exchange Rate**" shall mean on any date:

(i) if on such date the Bank of Canada sets an average noon spot rate of exchange with a conversion of one United States dollar into Canadian dollars, such rate;

(ii) in any other case, the rate for such date for the conversion of one United States dollar into Canadian dollars which is calculated in the manner which shall be determined by the Board of Directors from time to time acting in good faith.

(ll) "**U.S. Dollar Equivalent**" of any amount which is expressed in Canadian dollars shall mean, on any day, the United States dollar equivalent of such amount determined by reference to the U.S.-Canadian Exchange Rate on such date.

1.2 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada.

1.3 Acting Jointly or in Concert

For the purposes of this Agreement, a Person is acting jointly or in concert with another Person if such Person has any agreement, arrangement or understanding (whether formal or informal and whether or not in writing) with such other Person for the purpose of acquiring or Offering to Acquire any Common Shares of the Corporation (other than customary agreements with and between underwriters and banking group or selling group members with respect to a public offering of securities or pursuant to a pledge of securities in the ordinary course of business).

1.4 Control

A corporation is "controlled" by another Person if:

(a) securities entitled to vote in the election of directors carrying more than 50% of the votes for the election of directors are held, directly or indirectly, by or for the benefit of the other Person; and

(b) the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of such corporation;

and "controls", "controlling" and "under common control with" shall be interpreted accordingly.

ARTICLE 2
THE RIGHTS

2.1 Legend on Common Share Certificates

Certificates for the Common Shares issued after the Record Time but prior to the earlier of the Separation Time and the Expiration Time shall evidence one Right for each Common Share represented thereby and, commencing as soon as reasonably practicable after the approval of this Agreement by the shareholders of the Corporation, shall have impressed on, printed on, written on or otherwise affixed to them the legend set out in the Prior Agreement or the following legend:

> Until the Separation Time (as defined in the Rights Agreement referred to below), this certificate also evidences and entitles the holder hereof to certain Rights as set forth in the rights agreement (as such may from time to time be amended, restated, varied or replaced) (the "**Rights Agreement**") dated as of **[●]**, 2016, between Crescita Therapeutics Inc. (the "**Corporation**") and CST Trust Company, as Rights Agent, the terms of which are hereby incorporated herein by reference and a copy of which is on file and may be inspected during normal business hours at the principal executive office of the Corporation. Under certain circumstances as set forth in the Rights Agreement, such Rights may be amended, redeemed or exchanged, may expire, may lapse, may become void (if, in certain cases, they are "Beneficially Owned" by a person who is or becomes an "Acquiring Person", as such terms are defined in the Rights Agreement, or a transferee thereof) or may be evidenced by separate certificates and may no longer be evidenced by this certificate. The Corporation will mail or arrange for the mailing of a copy of the Rights Agreement to the holder of this certificate without charge within five days after the receipt of a written request therefor.

Certificates representing Common Shares that are issued and outstanding at the Record Time shall evidence one Right for each Common Share evidenced thereby notwithstanding the absence of the foregoing legend.

2.2 Initial Exercise Price: Exercise of Rights: Detachment of Rights

(a) Subject to adjustment as herein set forth, each Right will entitle the holder thereof, after the Separation Time, to purchase, for the Exercise Price, or its U.S. Dollar Equivalent as at the Business Day immediately preceding the day of exercise of the Right, one Common Share.

(b) Until the Separation Time,

(i) no Right may be exercised; and

(ii) each Right will be evidenced by the certificate for the associated Common Share and will be transferable only together with, and will be transferred by a transfer of, such associated Common Share.

(c) After the Separation Time and prior to the Expiration Time, the Rights (i) may be exercised; and (ii) will be transferable independent of Common Shares. Promptly following the Separation Time the Rights Agent will mail to each holder of record of Common Shares as of the Separation Time (other than an Acquiring Person and, in respect of any Rights Beneficially Owned by such Acquiring Person which are not held of record by such Acquiring Person, the holder of record of such Rights) at such holder's address as shown by the records of the Corporation (the Corporation hereby agreeing to furnish copies of such records to the Rights Agent for this purpose), (x) a certificate (a "**Rights Certificate**") in substantially the form of Exhibit A hereto with registration particulars appropriately completed, representing the number of Rights held by such holder at the Separation Time and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Corporation may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to usage, and (y) a disclosure statement describing the Rights.

(d) Rights may be exercised in whole or in part on any Business Day (or on any other day which, in the city at which an Election to Exercise (as hereinafter defined) is duly submitted to the Rights Agent in accordance with this Agreement, is not a Saturday, Sunday or a day that is treated as a holiday in such city) after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent (at its office in the city of Toronto, Canada or at any other office of the Rights Agent in the cities designated from time to time for

that purpose by the Corporation with the approval of the Rights Agent), the Rights Certificate evidencing such Rights together with an Election to Exercise (an "**Election to Exercise**") substantially in the form attached to the Rights Certificate duly completed and executed by the holder or his executors or administrators or other personal representatives or his legal attorney duly appointed by an instrument in writing in form and execution in a manner satisfactory to the Rights Agent, accompanied by payment by certified cheque, banker's draft or money order payable to the order of the Rights Agent, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Common Shares in a name other than that of the holder of the Rights being exercised.

(e) Upon receipt of a Rights Certificate, with an Election to Exercise that does not indicate that such Right is void as provided by subsection 3.1(b) accompanied by payment as set forth in Section 2.2(d) above, the Rights Agent will thereupon promptly:

(i) requisition from the transfer agent or any co-transfer agent of the Common Shares certificates for the number of Common Shares to be purchased (the Corporation hereby irrevocably authorizing its transfer agent to comply with all such requisitions),

(ii) when appropriate, requisition from the Corporation the amount of cash to be paid in lieu of issuing fractional Common Shares,

(iii) after receipt of the Common Share certificates, deliver the same to or upon the order of the registered holder of such Rights Certificate, registered in such name or names as may be designated by such holder,

(iv) when appropriate, after receipt, deliver such cash to or to the order of the registered holder of the Rights Certificate; and

(v) tender to the Corporation all payments received on exercise of the Rights.

(f) In case the holder of any Rights shall exercise less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.

(g) The Corporation will:

(i) take all such action as may be necessary and within its power to ensure that all shares delivered upon exercise of Rights shall, at the time of delivery of the certificates for such shares (subject to payment of the Exercise Price), be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable;

(ii) take all such action as may be necessary and within its power to comply with any applicable requirements of the *Business Corporations Act* (Ontario), the *Securities Act* (Ontario) and the securities acts or comparable legislation of each of the other provinces of Canada, the 1933 Securities Act and the 1934 Exchange Act, or the rules and regulations thereunder, and the rules and regulations thereunder or any other applicable law, rule or regulation, in connection with the issuance and delivery of the Rights Certificates and the issuance of any shares upon exercise of Rights;

(iii) use reasonable efforts to cause all shares issued upon exercise of Rights to be listed on the principal exchanges or traded in the over-the-counter markets on which the Common Shares were traded immediately prior to the Stock Acquisition Date; and

(iv) pay when due and payable any and all Canadian and, if applicable, United States federal, provincial, and state transfer taxes (for greater certainty not including any income taxes of the holder or exercising holder or any liability of the Corporation to withhold tax) and charges which may be payable in respect of the original issuance or delivery of the Rights Certificates or certificates for shares, provided that the Corporation shall not be required to pay any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of

Rights Certificates or the issuance or delivery of certificates for shares in a name other than that of the holder of the Rights being transferred or exercised.

2.3 Adjustments to Exercise Price; Number of Rights

The Exercise Price, the number and kind of shares subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 2.3.

(a) In the event the Corporation shall at any time after the Record Time and prior to the Expiration Time:

(i) declare or pay a dividend on the Common Shares payable in Common Shares (or other capital stock or securities exchangeable for or convertible into or giving a right to acquire Common Shares or other capital stock) other than pursuant to any optional stock dividend program,

(ii) subdivide or change the then outstanding Common Shares into a greater number of Common Shares,

(iii) combine or change the then outstanding Common Shares into a smaller number of Common Shares, or

(iv) issue any Common Shares (or other capital stock or securities exchangeable for or convertible into or giving a right to acquire Common Shares or other capital stock) in respect of, in lieu of or in exchange for existing Common Shares in a reclassification, amalgamation, merger, statutory arrangement or consolidation,

the Exercise Price and the number of Rights outstanding, or, if the payment or effective date therefor shall occur after the Separation Time, the securities purchasable upon exercise of Rights shall be adjusted in the manner set forth below. If the Exercise Price and number of Rights outstanding are to be adjusted (x) the Exercise Price in effect after such adjustment shall be equal to the Exercise Price in effect immediately prior to such adjustment divided by the number of Common Shares (or other capital stock) (the "**Expansion Factor**") that a holder of one Common Share immediately prior to such dividend, subdivision, change, combination or issuance would hold thereafter as a result thereof and (y) each Right held, prior to such adjustment shall become that number of Rights equal to the Expansion Factor, and the adjusted number of Rights will be deemed to be allocated among the Common Shares with respect to which the original Rights were associated (if they remain outstanding) and the shares issued in respect of such dividend, subdivision, change, combination or issuance, so that each such Common Share (or other capital stock) will have exactly one Right associated with it. If the securities purchasable upon exercise of Rights are to be adjusted, the securities purchasable upon exercise of each Right after such adjustment will be the number of securities that a holder of the securities purchasable upon exercise of one Right immediately prior to such dividend, subdivision, change, combination or issuance would hold thereafter as a result thereof. If an event occurs which would require an adjustment under both this Section 2.3 and Section 3.1 hereof, the adjustment provided for in this Section 2.3 shall be in addition to, and shall be made prior to, any adjustment required pursuant to Section 3.1 hereof.

In the event the Corporation shall at any time after the Record Time and prior to the Separation Time issue any Common Shares otherwise than in a transaction referred to in the preceding paragraph, each such Common Share so issued shall automatically have one new Right associated with it, which Right shall be evidenced by the certificate representing such share.

(b) In the event the Corporation shall at any time after the Record Time and prior to the Expiration Time fix a record date for the making of a distribution to all holders of Common Shares of rights or warrants entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for or carrying a right to purchase or subscribe for Common Shares) at a price per Common Share (or, if a security convertible into or exchangeable for or carrying a right to purchase or subscribe for Common Shares, having a conversion, exchange or exercise price (including the price required to be paid to purchase such convertible or exchangeable security or right per share)) less than the Market Price per Common Share on such record date, the Exercise Price shall be adjusted in the manner set forth below. The Exercise Price in effect after such record date shall equal the Exercise Price in effect immediately prior to such record date multiplied by a fraction, of which the numerator shall be the number of Common Shares outstanding on such record date plus the number of Common Shares which the aggregate offering price of the total number of Common Shares so

to be offered (and/or the aggregate initial conversion, exchange or exercise price of the convertible or exchangeable securities or rights so to be offered (including the price required to be paid to purchase such convertible or exchangeable securities or rights)) would purchase at such Market Price and of which the denominator shall be the number of Common Shares outstanding on such record date plus the number of additional Common Shares to be offered for subscription or purchase (or into which the convertible or exchangeable securities or rights so to be offered are initially convertible, exchangeable or exercisable). In case such subscription price may be paid in a consideration part or all of which shall be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors of the Corporation whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of Rights. Such adjustment shall be made successively whenever such a record date is fixed. For purposes of this paragraph (b), the granting of the right to purchase Common Shares (whether from treasury shares or otherwise) pursuant to any dividend or interest reinvestment plan and/or any Common Share purchase plan providing for the reinvestment of dividends or interest payable on securities of the Corporation and/or the investment of periodic optional payments and/or employee benefit or similar plans (so long as such right to purchase is in no case evidenced by the delivery of rights or warrants) shall not be deemed to constitute an issue of rights or warrants by the Corporation; provided, however, that in the case of any dividend or interest reinvestment plan, the right to purchase Common Shares is at a price per share of not less than 90% of the current market price per share (determined as provided in such plans) of the Common Shares.

(c) In the event the Corporation shall at any time after the Record Time and prior to the Expiration Time fix a record date for the making of a distribution to all holders of Common Shares of evidences of indebtedness or assets (other than a regular periodic cash dividend or a dividend paid in Common Shares) or rights or warrants (excluding those referred to in Section 2.3(b)), the Exercise Price shall be adjusted in the manner set forth below. The Exercise Price in effect after such record date shall equal the Exercise Price in effect immediately prior to such record date less the fair market value (as determined in good faith by the Board of Directors of the Corporation) of the portion of the assets, evidences of indebtedness, rights or warrants so to be distributed applicable to each of the securities purchasable upon exercise of one Right (such determination to be described in a statement filed with the Rights Agent and the holders of the Rights which statement shall be binding on the Rights Agent and the holders of the Rights). Such adjustment shall be made successively whenever such a record date is fixed.

(d) Each adjustment made pursuant to this Section 2.3 shall be made as of:

(i) the payment or effective date for the applicable dividend, subdivision, change, combination or issuance, in the case of an adjustment made pursuant to paragraph (a) above; and

(ii) the record date for the applicable dividend or distribution, in the case of an adjustment made pursuant to paragraph (b) or (c) above subject to readjustment to reverse the same if such distribution shall not be made.

(e) In the event the Corporation shall at any time after the Record Time and prior to the Expiration Time issue any shares of capital stock (other than Common Shares), or rights or warrants to subscribe for or purchase any such capital stock, or securities convertible into or exchangeable for any such capital stock, in a transaction referred to in paragraph (a)(i) or (a)(iv) above, or if the Corporation shall take any other action (other than the issue of Common Shares) which might have a negative effect on the holders of Rights, if the Board of Directors acting in good faith determines that the adjustments contemplated by paragraphs (a), (b) and (c) above are not applicable or will not appropriately protect the interests of the holders of Rights, the Corporation may determine what other adjustments to the Exercise Price, number of Rights and/or securities purchasable upon exercise of Rights would be appropriate and, if the adjustments contemplated by paragraphs (a), (b) and (c) above are applicable, notwithstanding such paragraphs, the adjustments so determined by the Corporation, rather than the adjustments contemplated by paragraphs (a), (b) and (c) above, shall be made. The Corporation and the Rights Agent shall amend this Agreement in accordance with Section 5.4 to provide for such adjustments.

(f) Each adjustment to the Exercise Price made pursuant to this Section 2.3 shall be calculated to the nearest cent. Whenever an adjustment to the Exercise Price is made pursuant to this Section 2.3, the Corporation shall:

(i) promptly prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment,

(ii) promptly file with the Rights Agent and with each transfer agent for the Common Shares a copy of such certificate and mail a brief summary thereof to each holder of Rights.

Failure to file such certificate or cause such notice to be given as aforesaid, or any defect therein, shall not affect the validity of any such adjustment or change.

(g) Irrespective of any adjustment or change in the securities purchasable upon exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the securities so purchasable which were expressed in the initial Rights Certificates issued hereunder.

2.4 Date on Which Exercise is Effective

Each person in whose name any certificate for Common Shares is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Common Shares represented thereby on, and such certificate shall be dated, the date upon which the Rights Certificate evidencing such Rights was duly surrendered (together with a duly completed Election to Exercise) and payment of the Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder hereunder) was made; provided, however, that if the date of such surrender and payment is a date upon which the Common Share transfer books of the Corporation are closed, such person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the Common Share transfer books of the Corporation are open.

2.5 Execution, Authentication, Delivery and Dating of Rights Certificates

(a) The Rights Certificates shall be executed on behalf of the Corporation by any two officers and/or directors of the Corporation. The signature of any of these officers on the Rights Certificates may be manual or facsimile. Rights Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Corporation shall bind the Corporation, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the countersignature and delivery of such Rights Certificates. Promptly after the Corporation learns of the Separation Time, the Corporation will notify the Rights Agent of such Separation Time and will deliver Rights Certificates executed by the Corporation to the Rights Agent for countersignature, and the Rights Agent shall countersign (manually or by facsimile signature in a manner satisfactory to the Corporation) and mail such Rights Certificates to the holders of the Rights pursuant to Section 2.2(c) hereof. No Rights Certificate shall be valid for any purpose until countersigned by the Rights Agent as aforesaid.

(b) Each Rights Certificate shall be dated the date of countersignature thereof.

2.6 Registration, Registration of Transfer and Exchange

(a) The Corporation will cause to be kept a register (the "**Rights Register**") in which, subject to such reasonable regulations as it may prescribe, the Corporation will provide for the registration and transfer of Rights. The Rights Agent is hereby appointed "**Rights Registrar**" for the purpose of maintaining the Rights Register for the Corporation and registering Rights and transfers of Rights as herein provided. In the event that the Rights Agent shall cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times.

After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of Section 2.6(c) below, the Corporation will execute, and the Rights Agent will countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered.

(b) All Rights issued upon any registration of transfer or exchange of Rights Certificates shall be the valid obligations of the Corporation, and such Rights shall be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.

(c) Every Rights Certificate surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Corporation or the Rights Agent, as the case may be, duly executed by the holder thereof or such holder's attorney duly authorized in writing.

As a condition to the issuance of any new Rights Certificate under this Section 2.6, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates

(a) If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Corporation shall execute and the Rights Agent shall countersign and deliver in exchange therefor a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.

(b) If there shall be delivered to the Corporation and the Rights Agent prior to the Expiration Time (i) evidence to their satisfaction of the destruction, loss or theft of any Rights Certificate and (ii) such security or indemnity as may be required by them in their sole discretion to save each of them and any of their agents harmless, then, in the absence of notice to the Corporation or the Rights Agent that such Rights Certificate has been acquired by a bona fide purchaser, the Corporation shall execute and upon its request the Rights Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.

(c) As a condition to the issuance of any new Rights Certificate under this Section 2.7, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Rights Agent) connected therewith.

(d) Every new Rights Certificate issued pursuant to this Section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate shall evidence an ongoing additional contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Rights Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Rights duly issued hereunder.

2.8 Persons Deemed Owners

Subject to this Agreement, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever. As used in this Agreement, unless the context otherwise requires, the term "**holder**" of any Rights shall mean the registered holder of such Rights (or, prior to the Separation Time, the associated Common Shares).

2.9 Delivery and Cancellation of Certificates

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Rights Agent, be delivered to the Rights Agent and, in any case, shall be promptly cancelled by the Rights Agent. The Corporation may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Corporation may have acquired in any manner whatsoever, and all Rights Certificates so delivered shall be promptly cancelled by the Rights Agent. No Rights Certificate shall be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this Section 2.9, except as expressly permitted by this Agreement. The Rights Agent shall, subject to applicable law, destroy all cancelled Rights Certificates and deliver a certificate of destruction to the Corporation on request.

2.10 Agreement of Rights Holders

Every holder of Rights by accepting the same consents and agrees with the Corporation and the Rights Agent and with every other holder of Rights that:

(a) he will be bound by and subject to the provisions of this Agreement, as amended from time to time in accordance with the terms hereof, in respect of all Rights held;

(b) prior to the Separation Time, each Right will be transferable only together with, and will be transferred by a transfer of, the associated Common Share certificate representing such Right;

(c) after the Separation Time, the Rights Certificates will be transferable only on the Rights Register as provided herein;

(d) prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) for registration of transfer, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on such Rights Certificate or the associated Common Share certificate made by anyone other than the Corporation or the Rights Agent) for all purposes whatsoever, and neither the Corporation nor the Rights Agent shall be affected by any notice to the contrary;

(e) such holder of Rights has waived his right to receive any fractional Rights or any fractional shares upon exercise of a Right (except as provided herein);

(f) subject to the provisions of Section 5.4, without the approval of any holder of Rights and upon the sole authority of the Board of Directors of the Corporation acting in good faith, this Agreement may be supplemented or amended from time to time as provided herein; and

(g) notwithstanding anything in this Agreement to the contrary, neither the Corporation nor the Rights Agent shall have any liability to any holder of a Right or any other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation.

ARTICLE 3
ADJUSTMENTS TO THE RIGHTS IN THE EVENT OF CERTAIN TRANSACTIONS

3.1 Flip-in Event

(a) Subject to Sections 3.1(b), 5.1(b), 5.1(c) and 5.1(d) hereof, in the event that prior to the Expiration Time a Flip-in Event shall occur, the Corporation shall take such action as shall be necessary to ensure and provide, within 10 Business Days thereafter or such longer period as may be required to satisfy the requirements of the 1933 Securities Act and the securities acts or comparable legislation of each of the provinces of Canada, so that, except as provided below, each Right shall thereafter constitute the right to purchase from the Corporation, upon exercise thereof in accordance with the terms hereof, that number of Common Shares of the Corporation having an aggregate Market Price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that after such date of consummation or occurrence an event of a type analogous to any of the events described in Section 2.3 shall have occurred with respect to such Common Shares).

(b) Notwithstanding the foregoing or any other provisions of this Agreement, upon the occurrence of any Flip-in Event, any Rights that are or were Beneficially Owned on or after the earlier of the Separation Time or the Stock Acquisition Date by:

(i) an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with either an Acquiring Person or any Affiliate or Associate of an Acquiring Person); or

(ii) a transferee of Rights, direct or indirect, of an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with either an Acquiring Person or any Affiliate or Associate of an Acquiring Person) in a transfer made after the date hereof, whether or not for consideration, that the Board of Directors of the Corporation acting in good faith has determined is part of a plan, arrangement or scheme of an Acquiring Person (or any Affiliate or Associate of an Acquiring Person) that has the purpose or effect of avoiding clause (i) of this Section 3.1(b),

shall become void and any holder of such Rights (including transferees) shall thereafter have no right to exercise such Rights under any provision of this Agreement.

(c) Any Rights Certificate that represents Rights Beneficially Owned by a Person described in either clauses (i) or (ii) of Section 3.1(b) or transferred to any nominee of any such Person, and any Rights Certificate issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall contain the following legend:

> The Rights represented by this Rights Certificate were Beneficially Owned by a Person who was an Acquiring Person or who was an Affiliate or an Associate of an Acquiring Person (as such terms are defined in the Rights Agreement) or was acting jointly or in concert with any of them. This Rights Certificate and the Rights represented hereby shall become void in the circumstances specified in Section 3.1(b) of the Rights Agreement.

provided that the Rights Agent shall not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but shall be required to impose such legend only if instructed to do so in writing by the Corporation or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not an Acquiring Person or an Affiliate or Associate thereof.

ARTICLE 4
THE RIGHTS AGENT

4.1 General

(a) The Corporation hereby appoints the Rights Agent to act as agent for the Corporation and the holders of Rights in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Corporation may from time to time appoint such Co-Rights Agents (the "**Co-Rights Agents**") as it may deem necessary or desirable subject to the approval of the Rights Agent, such approval not to be unreasonably withheld. In the event the Corporation appoints one or more Co-Rights Agents, the respective duties of the Rights Agent and Co-Rights Agents shall be as the Corporation may determine subject to the approval of the Rights Agent and Co-Rights Agent(s), such approval not to be unreasonably withheld. The Corporation will pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements incurred in the execution and administration of this Agreement and the exercise and performance of its duties hereunder (including the reasonable fees and other disbursements of any expert retained by the Rights Agent with the approval of the Corporation, such approval not to be unreasonably withheld). The Corporation will indemnify the Rights Agent and its officers, directors, employees and agents for, and to hold it harmless against, any loss, liability, or expense, incurred without negligence, bad faith or wilful misconduct on the part of the Rights Agent, for anything done, suffered or omitted by the Rights Agent in connection with the acceptance, execution and administration of this Agreement and the exercise and performance of its duties hereunder, including legal costs and expenses, which right to indemnification will survive the termination of this Agreement or the removal or resignation of the Rights Agent. In no event will the Rights Agent be liable for special, indirect, consequential or punitive loss or damages of any kind whatsoever (including but not limited to lost profits), even if the Rights Agent has been advised of the possibility of such damage. Any liability of the Rights Agent will be limited in the aggregate to an amount equal to the annual fee paid by the Company pursuant to this Agreement.

(b) The Rights Agent shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any certificate for Common Shares, Rights Certificate, certificate for other securities of the Corporation, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, opinion, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.

(c) The Corporation shall inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement by the Rights Agent and, at any time upon request, shall provide to the Rights Agent an incumbency certificate certifying the current officers of the Corporation.

4.2 Merger, Amalgamation or Consolidation or Change of Name of Rights Agent

(a) Any corporation into which the Rights Agent or any successor Rights Agent may be merged or amalgamated or with which it may be consolidated, or any corporation resulting from any merger, amalgamation or consolidation to which the Rights Agent or any successor Rights Agent is a party, or any corporation succeeding to the securityholder services business of the Rights Agent or any successor Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 4.4 hereof. In case, at the time such successor Rights Agent succeeds to the agency created by this Agreement, any of the Rights Certificates have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights Certificates have not been countersigned, any successor Rights Agent may countersign such Rights Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.

(b) In case at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

4.3 Duties of Rights Agent

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, all of which the Corporation and the holders of Rights Certificates, by their acceptance thereof, shall be bound:

(a) Upon notice to the Corporation, the Rights Agent may retain and consult with legal counsel (who may be legal counsel for the Corporation), and the opinion of such counsel will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion; the Rights Agent may also, with the approval of the Corporation (such approval not to be unreasonably withheld), consult with such other experts as the Rights Agent shall consider necessary or appropriate to properly carry out the duties and obligations imposed under this Agreement and the Rights Agent shall be entitled to rely in good faith on the advice of any such expert.

(b) Whenever in the performance of its duties under this Agreement the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Corporation prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by a person believed by the Rights Agent to be the Chairman of the Board, the Vice Chairman of the Board, the President or any Vice President and by the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Corporation and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.

(c) The Rights Agent will be liable hereunder only for its own negligence, bad faith or wilful misconduct.

(d) The Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for Common Shares or the Rights Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Corporation only.

(e) The Rights Agent will not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any Common Share certificate or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Corporation of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Section 3.1(b)

hereof) or any adjustment required under the provisions of Section 2.3 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by Section 2.3 describing any such adjustment); nor will it by any act hereunder be deemed to make any representation or warranty as to the authorization of any Common Shares to be issued pursuant to this Agreement or any Rights or as to whether any Common Shares will, when issued, be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable.

(f) The Corporation will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.

(g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any person believed by the Rights Agent to be the Chairman of the Board, the Vice Chairman of the Board, the President, any Vice President or the Secretary or any Assistant Secretary or the Treasurer or any Assistant Treasurer of the Corporation, and to apply to such persons for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered by it in good faith in reliance upon instructions of any such person; it is understood that instructions to the Rights Agent shall, except where circumstances make it impracticable or the Rights Agent otherwise agrees, be given in writing and, where not in writing, such instructions shall be confirmed in writing as soon as reasonably possible after the giving of such instructions.

(h) The Rights Agent and any Affiliate or Associate and any shareholder or stockholder, director, officer or employee of the Rights Agent and any Affiliate or Associate may buy, sell or deal in Common Shares, Rights or other securities of the Corporation or become pecuniarily interested in any transaction in which the Corporation may be interested, or contract with or lend money to the Corporation or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Corporation or for any other legal entity.

(i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, omission, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation resulting from any such act, omission, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued engagement thereof.

4.4 Change of Rights Agent

The Rights Agent may resign and be discharged from its duties under this Agreement upon 30 days' notice (or such lesser notice as is acceptable to the Corporation) in writing mailed to the Corporation and to each transfer agent of Common Shares by registered or certified mail, and to the holders of the Rights in accordance with Section 5.9. The Corporation may remove the Rights Agent upon 30 days' notice in writing given to the Rights Agent and to each transfer agent of the Common Shares (by personal delivery, or registered or certified mail). If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Corporation will appoint a successor to the Rights Agent. If the Corporation fails to make such appointment within a period of 30 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent, then the resigning Rights Agent or any holder of any Rights may apply to any court of competent jurisdiction for the appointment of a new Rights Agent at the Corporation's expense. Any successor Rights Agent, whether appointed by the Corporation or by such a court, shall be a corporation incorporated under the laws of Canada or a province thereof authorized to carry on the business of a trust company in the Province of Ontario. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Corporation will file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares, and mail a notice thereof in writing to the holders of the Rights. Failure to give any notice provided for in this Section 4.4, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

ARTICLE 5
MISCELLANEOUS

5.1 Redemption and Termination

(a) The Board of Directors may, at its option exercisable at any time prior to the application of Section 3.1 to a Flip-in Event, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of $0.00001 per Right subject to adjustment in the manner contemplated by Section 2.3 (the "**Redemption Price**").

(b)

(i) The Board of Directors may, prior to the occurrence of a Flip-in Event, determine, upon prior written notice to the Rights Agent, to waive the application of Section 3.1 to such Flip-in Event.

(ii) The Board of Directors may, prior to the Separation Time, waive the application of Section 3.1 to any particular Flip-in Event provided that the following conditions are satisfied:

(A) the Board of Directors has determined that the Acquiring Person became an Acquiring Person by inadvertence and without any intent or knowledge that such Person would become an Acquiring Person; and

(B) such Acquiring Person has reduced such Person's Beneficial Ownership of Common Shares such that at the time of waiver pursuant to this paragraph such Person is no longer an Acquiring Person.

(c) In the event that an Offeror makes a Permitted Bid and, within four months after the making of the Permitted Bid, has taken up and paid for Common Shares representing not less than 90% of the number of votes attached to all outstanding Common Shares pursuant to a Permitted Bid, other than Common Shares already Beneficially Owned at the date of the Permitted Bid by such Offeror, then the Board of Directors shall without further formality be deemed to have elected to redeem the Rights at the Redemption Price.

(d) If the Board of Directors elects or is deemed to have elected to redeem the Rights, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price.

(e) Within 10 days of the Board of Directors electing or having been deemed to have elected to redeem the Rights, the Corporation shall give notice of the redemption to the holders of the then outstanding Rights by mailing such notice to each such holder at his last address as it appears upon the register of Rights maintained by the Rights Agent or, prior to the Separation Time, on the register maintained by the transfer agent of the Common Shares. Each such notice of redemption shall state the method by which the payment of the Redemption Price shall be made.

5.2 Expiration

No Person shall have any rights pursuant to this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in Section 4.1(a) of this Agreement.

5.3 Issuance of New Rights Certificates

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Corporation may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by its Board of Directors to reflect any adjustment or change in the number of or kind or class of shares purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

5.4 Supplements and Amendments

(a) The Corporation may from time to time supplement or amend this Agreement without the approval of any holders of Rights:

(i) to make any changes which the Board of Directors may deem necessary or desirable and as shall not materially adversely affect the interests of the holders of Rights generally;

(ii) to conform the Agreement with respect to any changes in the capital of the Corporation as it considers appropriate to ensure that the purpose of this Agreement is met; or

(iii) in order to cure any ambiguity or to correct or supplement any provision contained herein which may be inconsistent with any other provision herein or is otherwise defective;

provided, however, that no such supplement or amendment shall be made to the provisions of article four hereof except by means of a supplement or amendment consented to and executed by the Right Agent. The Corporation may from time to time supplement or amend this Agreement in any other respect, provided that any supplement or amendment shall be approved by the holders of Rights within 180 days after the effective date hereof.

(b) Any approval of the holders of Rights shall be deemed to have been given if the action requiring such approval is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders of Rights and representing a majority of the votes cast in respect thereof. For the purposes hereof, each outstanding Right (other than Rights which are void pursuant to the provisions hereof) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in the Corporation's by-laws and the *Business Corporations Act* (Ontario) with respect to meetings of shareholders of the Corporation.

(c) The Corporation shall give notice in writing to the Rights Agent of any supplement, amendment, deletion, variation or rescission to this Agreement pursuant to this section 5.4 within five (5) Business Days of the date of any such supplement, amendment, deletion, variation or rescission, provided that failure to give such notice, or any defect therein, shall not affect the validity of any such supplement, amendment, deletion, variation or rescission.

5.5 Fractional Rights and Fractional Shares

(a) The Corporation shall not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights. After the Separation Time there shall be paid to the registered holders of the Rights Certificates with regard to which fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the Market Price of a whole Right in lieu of such fractional Rights as of the date such fractional Rights would otherwise be issuable.

(b) The Corporation shall not be required to issue fractional Common Shares upon exercise of the Rights or to distribute certificates which evidence fractional Common Shares. In lieu of issuing fractional Common Shares, the Corporation shall pay to the registered holder of Rights Certificates at the time such Rights are exercised as herein provided, an amount in cash equal to the same fraction of the Market Price of one Common Share at the date of such exercise.

(c) The Rights Agent shall have no obligation to make any payments in lieu of issuing fractions of Rights or Common Shares pursuant to paragraph (a) or (b), respectively, unless and until the Corporation shall have provided to the Rights Agent the amount of cash to be paid in lieu of issuing such fractional Rights or Common Shares, as the case may be.

5.6 Rights of Action

Subject to the terms of this Agreement, rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective holders of the Rights; and any holder of any Rights, without the consent of the Rights Agent or of the holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights, enforce, and may institute and maintain any suit, action or proceeding against the Corporation to enforce, or otherwise act in respect of, such holder's right to exercise such holder's Rights, or Rights to which he is entitled, in the manner provided in this Agreement and in such holder's Rights Certificate. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of, the obligations of any Person subject to this Agreement.

5.7 Holder of Rights Not Deemed a Shareholder

No holder, as such, of any Rights shall be entitled to vote, receive dividends or be deemed for any purpose the holder of Common Shares or any other securities which may at any time be issuable on the exercise of Rights, nor shall anything contained herein or in any Rights Certificate be construed to confer upon the holder of any Rights, as such, any of the rights of a shareholder of the Corporation or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting Shareholders (except as provided in Section 5.8 hereof), or to receive dividends or subscription rights or otherwise, until such Rights, or Rights to which such holder is entitled, shall have been exercised in accordance with the provisions hereof.

5.8 Notice of Proposed Actions

In case the Corporation shall propose after the Separation Time and prior to the Expiration Time:

(a) to effect or permit (in cases where the Corporation's permission is required) any Flip-in Event; or

(b) to effect the liquidation, dissolution or winding up of the Corporation or the sale of all or substantially all of the Corporation's assets,

then, in each such case, the Corporation shall give to each holder of a Right, in accordance with Section 5.9 hereof, a notice of such proposed action, which shall specify the date on which such Flip-in Event, liquidation, dissolution, or winding up is to take place, and such notice shall be so given at least ten Business Days prior to the date of taking of such proposed action by the Corporation.

5.9 Notices

Notices or demands to be given or made in connection with this Agreement by the Rights Agent or by the holder of any Rights to or on the Corporation shall be sufficiently given or made if delivered or sent by mail, postage prepaid or by fax (with, in the case of fax, an original copy of the notice or demand sent by first class mail, postage prepaid, to the Corporation following the giving of the notice or demand by fax), addressed (until another address is filed in writing with the Rights Agent) as follows:

Crescita Therapeutics Inc.
7560 Airport Road, Unit 10
Mississauga, Ontario
L4T 4H4

Attention: Daniel Chicoine
Fax: *[Fax number redacted]*

with a copy to:

Goodmans LLP
333 Bay Street, Suite 3400
Toronto, Ontario
M5H 2S7

Attention: Robert Vaux
Fax: *[Fax number redacted]*

Notices or demands to be given or made in connection with this Agreement by the Corporation or by the holder of any Rights to or on the Rights Agent shall be sufficiently given or made if delivered or sent by mail, postage prepaid, or by fax (with, in the case of fax, an original copy of the notice or demand sent by first class mail, postage prepaid, to the Rights Agent following the giving of the notice or demand by fax), addressed (until another address is filed in writing with the Corporation) as follows:

CST Trust Company
320 Bay Street, 3rd Floor
Toronto, Ontario
M5H 4A6

Attention: Senior Relationship Manager, Client Services
Fax: *[Fax number redacted]*

Notices or demands to be given or made in connection with this Agreement by the Corporation or the Rights Agent to or on the holder of any Rights shall be sufficiently given or made if delivered or sent by first class mail, postage prepaid, or by fax (with, in the case of fax, an original copy of the notice or demand sent by first class mail, postage prepaid, to such holder following the giving of the notice or demand by fax), addressed to such holder at the address of such holder as it appears upon the register of the Rights Agent or, prior to the Separation Time, on the register of the Corporation for the Common Shares.

If mail service is or is threatened to be interrupted at a time when the Corporation or the Rights Agent wishes to give a notice or demand hereunder to or on the holders of the Rights, the Corporation or the Rights Agent may, notwithstanding the foregoing provisions of this Section 5.9, give such notice by means of publication once in each of two successive weeks in the business section of the Financial Post, or in such other publication or publications as may be designated by the Corporation and notice so published shall be deemed to have been given on the date on which the first publication of such notice in any such publication has taken place.

5.10 Costs of Enforcement

If the Corporation or any other Person the securities of which are purchasable upon exercise of Rights fails to fulfil any of its obligations pursuant to this Agreement, then the Corporation or such Person will reimburse the holder of any Rights for the costs and expenses (including legal fees) incurred by such holder in actions to enforce his rights pursuant to any Rights or this Agreement.

5.11 Successors

All the covenants and provisions of this Agreement by or for the benefit of the Corporation or the Rights Agent shall bind and enure to the benefit of their respective successors and assigns hereunder.

5.12 Benefits of this Agreement

Nothing in this Agreement shall be construed to give to any Person other than the Corporation, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Corporation, the Rights Agent and the holders of the Rights.

5.13 Descriptive Headings

Descriptive headings appear herein for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

5.14 Governing Law

This Agreement and each Right issued hereunder shall be deemed to be a contract made under the laws of the Province of Ontario and for all purposes shall be governed by and construed in accordance with the laws of such Province applicable to contracts to be made and performed entirely within such Province.

5.15 Language

Les parties aux présentes ont exigées que la present convention ainsi que tous les documents et avis qui s'y rattachent et/ou qui en decouleront soient rediges en langue anglaise. The parties hereto have required that this Agreement and all documents and notices related thereto and/or resulting therefrom be drawn up in the English language.

5.16 Counterparts

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

5.17 Severability

If any term or provision hereof or the application thereof to any circumstance is, in any jurisdiction and to any extent, invalid or unenforceable, such term or provision shall be ineffective as to such jurisdiction to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining terms and provisions hereof or the application of such term or provision to circumstances other than those as to which it is held invalid or unenforceable.

5.18 Effective Date

This Agreement shall take effect as of **[●]**, 2016.

5.19 Shareholder Review

This Agreement must be reconfirmed by a resolution passed by a majority of greater than 50% of the votes cast by Independent Shareholders who vote in respect of such reconfirmation commencing with the annual meeting of shareholders of the Corporation to be held in 2019 and at every third annual meeting thereafter, in each case provided that a Flip-in Event has not occurred prior to such time. Unless a majority of the votes cast by Independent Shareholders who vote in respect of such resolution are voted in favour of the continued existence of this Agreement, the Board of Directors shall, immediately upon the confirmation by the chairman of such shareholders' meeting of the result of the vote on such resolution and without further formality, be deemed to have elected to redeem the Rights at the Redemption Price. If this Agreement is not submitted for ratification as described above, this Agreement shall terminate and all Rights shall be deemed to have been redeemed on the date of such meeting.

5.20 Regulatory Approvals

Any obligation of the Corporation or action or event contemplated by this Agreement shall be subject to the receipt of any requisite approval or consent from any governmental or regulatory authority.

5.21 Declaration as to Non-Canadian Holders

If in the opinion of the Board of Directors of the Corporation (who may rely upon the advice of counsel) any action or event contemplated by this Agreement would require compliance with the securities laws or comparable legislation of a jurisdiction outside Canada, the Board of Directors acting in good faith may take such actions as it may deem appropriate to ensure that such compliance is not required, including without limitation establishing procedures for the issuance to an appropriate Canadian resident acting as a fiduciary (a "**Fiduciary**") of Rights or securities issuable on exercise of Rights, the holding thereof in trust for the Person entitled thereto (but reserving to the Fiduciary or to the Fiduciary and the Corporation, as the Corporation may determine, absolute discretion with respect thereto) and the sale thereof and remittance of the proceeds of such sale, if any, to the persons entitled thereto. In no event shall the Corporation or the Rights Agent be required to issue or deliver Rights or securities issuable on exercise of Rights to persons who are citizens, residents or nationals of any jurisdiction other than Canada and any province or territory thereof in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes.

5.22 Determinations and Actions by the Board of Directors

All actions and determinations (including all omissions with respect to the foregoing) which are done or made by the Board of Directors of the Corporation in good faith shall not subject any member of the Board of Directors to any liability whatsoever to the holders of the Rights.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed.

CRESCITA THERAPEUTICS INC.

By: _____
Name: **[●]**
Title: Authorized Signatory

CST TRUST COMPANY

By: _____
Name: **[●]**
Title: Authorized Signatory

By: _____
Name: **[●]**
Title: Authorized Signatory

EXHIBIT A
FORM OF RIGHTS CERTIFICATE

Certificate No. _____ _____ Rights

THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF THE CORPORATION, ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT. IN CERTAIN CIRCUMSTANCES (SPECIFIED IN SECTION 3.1(b) OF THE RIGHTS AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR TRANSFEREES OF AN ACQUIRING PERSON OR ITS AFFILIATES OR ASSOCIATES (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT) OR ANY PERSON ACTING JOINTLY OR IN CONCERT WITH ANY OF THEM, MAY BECOME VOID.

Rights Certificate

This certifies that ●, or registered assigns, is the registered holder of the number of Rights set forth above, each of which entities the registered holder thereof, subject to the terms, provisions and conditions of the Rights Agreement dated as of **[●]**, 2016, as such may from time to time be amended, restated, varied or replaced, (the "**Rights Agreement**") between Crescita Therapeutics Inc., a corporation existing under the laws of Ontario (the "**Corporation**") and CST Trust Company, a trust company incorporated under the laws of Canada, as Rights Agent (the "**Rights Agent**"), which term shall include any successor Rights Agent under the Rights Agreement, to purchase from the Corporation at any time after the Separation Time (as such term is defined in the Rights Agreement) and prior to the earlier of (i) the Termination Time (as such term is defined in the Rights Agreement) and (ii) the close of business on the ● day of ●, 20●, one fully paid common share of the Corporation (a "**Common Share**") at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate together with the Form of Election to Exercise duly executed to the Rights Agent at its principal office in the City of Toronto and in such other cities as may be designated by the Corporation from time to time. The Exercise Price shall initially be $50.00 per Right and shall be subject to adjustment in certain events as provided in the Rights Agreement.

In certain circumstances described in the Rights Agreement, (i) the number of Common Shares which each Right entitles the registered holder thereof to purchase shall be adjusted as provided in the Rights Agreement and (ii) each Right evidenced hereby may entitle the registered holder thereof to purchase or receive securities of an entity other than the Corporation, securities in the capital stock of the Corporation other than Common Shares or cash or property of the Corporation (or a combination thereof), all as provided in the Rights Agreement.

This Rights Certificate is subject to all of the terms, provisions and conditions of the Rights Agreement which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, the Corporation and the holders of the Rights Certificates. Copies of the Rights Agreement are on file at the principal executive offices of the Corporation and are available upon written request.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any of the offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing an aggregate number of Rights equal to the aggregate number of Rights evidenced by the Rights Certificate or Rights Certificates surrendered. If this Rights Certificate shall be exercised in part, the registered holder shall be entitled to receive, upon surrender hereof, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Rights Agreement, the Rights evidenced by this Certificate may be redeemed by the Corporation at a redemption price of $.00001 per Right, subject to adjustment in certain events, under certain circumstances at its option.

No fractional Common Shares will be issued upon the exercise of any Rights evidenced hereby, but in lieu thereof a cash payment will be made, as provided in the Rights Agreement.

No holder of this Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of Common Shares or of any other securities which may at any time be issuable upon the exercise hereof, nor shall anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the Rights of a shareholder of the Corporation or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in the Rights Agreement), or to receive dividends or subscription rights, or otherwise, until the Rights evidenced by this Rights Certificate shall have been exercised as provided in the Rights Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Corporation and its corporate seal.

Date: _____

CRESCITA THERAPEUTICS INC.

By: _____
Authorized Signatory

Countersigned:

CST TRUST COMPANY

By: _____

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Rights represented by this Rights Certificate.)

FOR VALUE RECEIVED _____hereby sells, assigns and __ _____ transfers to _____ _____(Please print name and address of transferee) the Rights represented by this Rights Certificate, together with all right, title and interest therein, and hereby irrevocably constitutes and appoints _____ as attorney, to transfer the within Rights on the books of the Corporation, with full power of substitution.

Dated: _____

Signature Guaranteed:

_____

Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

The signature on this Form of Assignment must be guaranteed by a Canadian Schedule 1 chartered bank, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada and the United States, members of the Investment Dealers Association of Canada, members of the National Association of Securities Dealers of banks and trust companies in the United States.

(To be completed if true)

The undersigned hereby represents, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or by any Person acting jointly or in concert with any of the foregoing (all capitalized terms are used as defined in the Rights Agreement).

Dated: _____ Signature _____

(To be attached to each Rights Certificate)

FORM OF ELECTION TO EXERCISE

TO: Crescita Therapeutics Inc.

The undersigned hereby irrevocably elects to exercise _____whole Rights represented by the attached Rights Certificate to purchase the Common Shares (or other securities or property) issuable upon the exercise of such Rights and requests that certificates for such shares (or other securities or title to such property) be issued in the name of:

_____
(Name)

_____
(Street)

_____
(City and State or Province)

_____
(Country, Postal Code or Zip Code)

_____
SOCIAL INSURANCE, SOCIAL
SECURITY OR OTHER
TAXPAYER IDENTIFICATION
NUMBER

If such number of Rights shall not be all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights shall be registered in the name of and delivered to:

_____
(Name)

_____
(Street)

_____
(City and State or Province)

_____
(Country, Postal Code or Zip Code)

_____
SOCIAL INSURANCE, SOCIAL
SECURITY OR OTHER
TAXPAYER IDENTIFICATION
NUMBER

Signature Guaranteed:

Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

The signature on this Election to Exercise must be guaranteed by a Canadian Schedule 1 chartered bank, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada and the United States, members of the Investment Dealers Association of Canada, members of the National Association of Securities Dealers of banks and trust companies in the United States.

(To be completed if true)

The undersigned hereby represents, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or by any Person acting jointly or in concert with any of the foregoing (all capitalized terms are used as defined in the Rights Agreement).

Dated: _____ Signature _____

NOTICE

In the event the certification set forth above in the Form of Election to Exercise is not completed upon exercise of the Right(s) evidenced hereby or in the event that the certification set forth above in the Form of Assignment is not completed upon the assignment of the Right(s) evidenced hereby, the Corporation will deem the Beneficial Owner of the Right(s) evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement) and, in the case of an assignment will affix a legend to that effect on any Rights Certificates issued in exchange for this Rights Certificate.

APPENDIX P

FORM OF CRESCITA SARS PLAN

CRESCITA THERAPEUTICS INC.

SHARE APPRECIATION RIGHTS PLAN

1. DEFINITIONS

As used herein:

(a) "**Act**" means the Business Corporations Act (Ontario) or its successor, as amended from time to time;

(b) "**Arrangement Date**" has the meaning given to it in the Plan of Arrangement;

(c) "**Arrangement Time**" has the meaning given to it in the Plan of Arrangement;

(d) "**Blackout Period**" means the period during which designated directors, officers and employees of the Corporation are required to not trade Shares pursuant to the Corporation's policies respecting restrictions on directors', officers' and employee trading in effect from time to time;

(e) "**Cause**" means cause, as such term is interpreted from time to time by the courts of the applicable jurisdiction of employment of the applicable Participant, or, where cause (or a synonymous concept) is defined in the Employment Contract of such Participant, as so defined;

(f) "**Committee**" means the Directors or, if so designated by the Directors to administer the Plan, the committee of the Directors authorized to administer the Plan (provided that such committee of the Board shall be comprised of no less than three Directors);

(g) "**Corporation**" means, prior to the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Plan of Arrangement, 2487001 Ontario Limited, a corporation incorporated under the Act, and from and after the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Arrangement, Crescita Therapeutics Inc., the corporation under the Act formed by the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Plan of Arrangement, and its successors;

(h) "**Crescita**" means Crescita Therapeutics Inc., a corporation formed under the Act;

(i) "**Crescita Arrangement SARs**" means the share appreciation rights granted to Participants under this Plan pursuant to the Plan of Arrangement in partial exchange for Outstanding Nuvo SARs, and "**Crescita Arrangement SAR**" means any one of them;

(j) "**Crescita Participant**" means a person who receives Crescita Arrangement SARs pursuant to the Plan of Arrangement and who, immediately following the Arrangement Time, is a director, employee or officer (including both full-time and part-time employees) of Crescita or one of its Designated Affiliates, any person or corporation engaged to provide ongoing management or consulting services for Crescita or a Designated Affiliate, or any employee of such person or corporation;

(k) "**Designated Affiliate**" means (a) in respect of the Corporation, the affiliates of the Corporation designated by the Committee for purposes of this Plan from time to time, and (b) in respect of Nuvo, the affiliates of Nuvo designated by the board of directors of Nuvo (or a duly authorized committee thereof) for the purposes of the Nuvo SARs Plan;

(l) "**Directors**" means the board of directors of the Corporation from time to time;

(m) "**Employment Contract**" means any contract between the Corporation, Nuvo or any of their respective Designated Affiliates and any Participant relating to, or entered into in connection with, the employment of an employee, the appointment or election of a director or the engagement of a consultant or any other

agreement to which the Corporation, Nuvo or any of their respective Designated Affiliates is a party with respect to the rights of such Participant in respect of a change in control of the Corporation or Nuvo or the termination of employment, appointment, election or engagement of such Participant with the Corporation, Nuvo or any of their respective Designated Affiliates;

(n) "**Fair Market Value**" with respect to the Shares as of a specified date, means the closing price of the Shares on the Toronto Stock Exchange on the last trading day on which the Shares traded prior to such date; provided that if such date falls within a Blackout Period, the Fair Market Value of the Shares shall be the closing price of the Shares on the Toronto Stock Exchange on the fifth trading day following the expiration of such Blackout Period or subject to the approval of the Toronto Stock Exchange, such other later date as the Committee shall determine;

(o) "**Grant**" means a grant of Crescita Arrangement SARs to a Participant pursuant to the terms of the Plan of Arrangement;

(p) "**Grant Confirmation**" means, with respect to a Crescita Arrangement SAR, the written confirmation provided to the Participant for the Outstanding Nuvo SAR that was exchanged, in part, for such Crescita Arrangement SAR pursuant to the Plan of Arrangement;

(q) "**Grant Date**" means, with respect to a particular Grant, the date of the applicable Grant Confirmation;

(r) "**Grant Price**" means the grant price attributable to each Crescita Arrangement SAR of a particular tranche, determined in accordance with the Plan of Arrangement and described in Section 2(c);

(s) "**Nuvo**" means Nuvo Research Inc., a corporation formed under the Act, which, pursuant to the Plan of Arrangement, will change its name from "Nuvo Research Inc." to "Nuvo Pharmaceuticals Inc.", and its successors;

(t) "**Nuvo Participant**" means a person who receives Crescita Arrangement SARs pursuant to the Plan of Arrangement and who, immediately following the Arrangement Time, is a director, employee or officer (including both full-time and part-time employees) of Nuvo or one of its Designated Affiliates, any person or corporation engaged to provide ongoing management or consulting services for Nuvo or a Designated Affiliate, or any employee of such person or corporation;

(u) "**Nuvo SARs Plan**" means Nuvo's share appreciation rights plan, as amended and restated from time to time (including pursuant to the Plan of Arrangement);

(v) "**Outstanding Nuvo SARs**" means the share appreciation rights issued under the predecessor to the Nuvo SARs Plan that were outstanding immediately prior to the Arrangement Time;

(w) "**Participants**" means the Crescita Participants and the Nuvo Participants;

(x) "**Plan**" means this Share Appreciation Rights Plan, as amended and restated from time to time;

(y) "**Plan of Arrangement**" means the plan of arrangement proposed under Section 182 of the Act, a copy of which is attached as Schedule 1;

(z) "**Shares**" means the common shares in the capital of the Corporation;

(aa) "**Shareholder Approval**" means approval of this Plan by the shareholders of Nuvo prior to the Arrangement Date or approval by shareholders of the Corporation following the Arrangement Date, in either case in accordance with the policies of the Toronto Stock Exchange; and

(bb) "**Vesting Date**" means, with respect to a Crescita Arrangement SAR, the date or dates on which such Crescita Arrangement SAR vests, as set out in the applicable Grant Confirmation.

2. PLAN OF ARRANGEMENT

(a) Pursuant to the terms of the Plan of Arrangement, this Plan shall be assumed by Crescita Therapeutics Inc. on the Arrangement Date at the time provided for in the Plan of Arrangement. Accordingly, at and after such time, references to the "Corporation" in this Plan shall be deemed to be references to Crescita Therapeutics Inc.

(b) For all purposes under this Plan, Crescita Arrangement SARs granted in exchange for Outstanding Nuvo SARs pursuant to the Plan of Arrangement shall be deemed to have been granted under and shall be subject to, this Plan, and shall also be deemed to be a continuation of the Outstanding Nuvo SARs for which they were exchanged pursuant to the Plan of Arrangement. Accordingly, the date on which a Crescita Arrangement SAR is Granted for purposes of this Plan shall be deemed to be the date of the grant of the Outstanding Nuvo SAR for which such Crescita Arrangement SAR was exchanged pursuant to the Plan of Arrangement, notwithstanding that this Plan was not effective at such time.

(c) The Grant Price for each Crescita Arrangement SAR shall be deemed for all purposes of this Plan to be an amount equal to the product obtained by multiplying (i) the original grant price of the Outstanding Nuvo Option for which such Crescita Arrangement SAR was exchanged as part of the Plan of Arrangement, by (ii) the Butterfly Proportion (as such term is defined in the Plan of Arrangement).

3. ADMINISTRATION OF THE PLAN

The Plan shall be administered by the Committee and the Committee shall have full authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary or desirable in order to comply with the requirements of the Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary or desirable for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the administration of the Plan shall be for the account of the Corporation.

4. GRANT OF SHARE APPRECIATION RIGHTS

(a) All Crescita Arrangement SARs shall be subject to the terms and conditions of this Plan.

(b) No rights other than the Crescita Arrangement SARs granted pursuant to the Plan of Arrangement shall be granted pursuant to this Plan.

(c) Crescita Arrangement SARs shall vest at such times and to the extent set forth in the Grant Confirmation to which they relate.

5. SHARES RESERVED FOR ISSUANCE

Subject to receipt of Shareholder Approval, the maximum number of Shares reserved for issuance under this this Plan shall be fixed at 495,093.

6. VESTING OF SHARE APPRECIATION RIGHTS AND PAYMENT

(a) Subject to Sections 8 and 10, each tranche of Crescita Arrangement SARs Granted to a Participant shall vest as of the applicable Vesting Date specified in the applicable Grant Confirmation and shall be payable (if applicable) in accordance with Section 6(b).

(b) Upon the vesting of a tranche of Crescita Arrangement SARs, as set out in the applicable Grant Confirmation, the Corporation or the relevant Designated Affiliate, as the case may be, shall, within 30 days following the applicable Vesting Date (subject to extension pursuant to Section 13), deliver or cause to be delivered to the Participant cash or Shares (or a combination thereof), as determined in accordance with

Section 6(c), with an aggregate value equal to the amount, if any, determined, in respect of such tranche of Crescita Arrangement SARs, by multiplying:

(i) the positive amount (if any) by which the Fair Market Value of one Share as of the applicable Vesting Date exceeds the applicable Grant Price; by

(ii) the number of such vested Crescita Arrangement SARs (the "**Payment Amount**").

For certainty, if the amount calculated in Section 6(b)(i) is nil or a negative amount, the Participant shall not be entitled to receive any Payment Amount (either in cash or Shares) in respect of such Crescita Arrangement SARs and the applicable Crescita Arrangement SARs shall automatically terminate and all rights in respect thereof shall expire.

(c) The Participant shall have the option to elect whether to receive the Payment Amount in cash or Shares (based on the Fair Market Value of the Shares as of the applicable Vesting Date) or a combination thereof, provided that:

(i) if the Participant elects to receive any portion of the Payment Amount in cash, the Corporation shall have the right to satisfy all or any portion of such cash portion in Shares (based on the Fair Market Value of the Shares as of the applicable Vesting Date); and

(ii) notwithstanding anything to the contrary in this Plan, if Shareholder Approval has not been obtained at the time when the Payment Amount is required to be paid, then the Payment Amount shall be paid solely in cash.

7. TRANSFERABILITY

The right to receive the Payment Amount (either in cash or Shares, as determined by the Corporation) pursuant to vested Crescita Arrangement SARs granted to a Participant may only be conferred to a Participant personally or, upon the Participant's death, the legal representative of his or her estate or any other person who acquires his or her rights in respect of a Crescita Arrangement SAR by bequest or inheritance. Except as otherwise provided in this Plan, no assignment, sale, transfer, pledge or charge of a Crescita Arrangement SAR, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Crescita Arrangement SAR whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such Crescita Arrangement SAR shall terminate and be of no further force or effect.

8. TERMINATION

(a) If a Participant shall at any time:

(i) no longer be a director of any of the Corporation, Nuvo or any of their respective Designated Affiliates (and is not or does not continue to be an employee or consultant thereof) for any reason (other than for Cause but, for certainty, including death or disability);

(ii) no longer be employed by any of the Corporation, Nuvo or any of their respective Designated Affiliates (and is not or does not continue to be a director or consultant thereof) for any reason (other than for Cause but, for certainty, including death or disability); or

(iii) no longer be engaged by any of the Corporation, Nuvo or any of their respective Designated Affiliates as a consultant (and is not or does not continue to be a director or employee thereof) for any reason (other than for Cause but, for certainty, including death or disability),

(collectively, a "**Termination**"), then there shall be an automatic acceleration of vesting of such number of the Participant's outstanding Crescita Arrangement SARs (the "**Termination SARs**") as determined in accordance with the following formula (calculated separately for each outstanding tranche of Crescita Arrangement SARs):

$$(A / B) \times C$$

where,

- "**A**" means the number of days comprising the period from the Grant Date up to, and including, the date of Termination (which, in the case of the death of a Participant, shall be the date of death);

- "**B**" means the number of days comprising the period from the Grant Date up to, and including, the Vesting Date in respect of such tranche of Crescita Arrangement SARs; and

- "**C**" means the number of Crescita Arrangement SARs that comprise such tranche.

Any of the Participant's Crescita Arrangement SARs that do not vest pursuant to this Section 8(a) shall automatically terminate and all rights in respect thereof shall expire.

(b) Upon Termination, the Corporation or the relevant Designated Affiliate, as the case may be, shall, within 30 days following such Termination (subject to extension pursuant to Section 13), deliver or cause to be delivered to the Participant (or, in the case of a Termination resulting from the death of a Participant, the estate of the Participant (or such person or persons to whom the rights of the Participant under the Crescita Arrangement SARs shall pass by the will of the Participant or the laws of descent and distribution)) cash or Shares (or a combination thereof), as determined in accordance with Section 8(c), with an aggregate value equal to the amount , if any, determined, in respect of each outstanding tranche of Crescita Arrangement SARs, by multiplying:

(i) the positive amount (if any) by which the Fair Market Value of one Share on the date of Termination exceeds the applicable Grant Price; by

(ii) the number of such Termination SARs (the "**Termination Payment Amount**").

For illustration purposes, an example of how to calculate the Termination Payment Amount is provided in Schedule 2. For certainty, if the amount calculated in Section 8(b)(i) is nil or a negative amount, the Participant shall not be entitled to receive any Termination Payment Amount and all of the Participant's outstanding Crescita Arrangement SARs shall automatically expire.

(c) The Participant shall have the option to elect whether to receive the Termination Payment Amount in cash or Shares (based on the Fair Market Value of the Shares as of the date of the Termination) or a combination thereof, provided that

(i) if the Participant elects to receive any portion of the Termination Payment Amount in cash, the Corporation shall have the right to satisfy all or any portion of such cash portion in Shares (based on the Fair Market Value of the Shares as of the date of the Termination); and

(ii) notwithstanding anything to the contrary in this Plan, if Shareholder Approval has not been obtained at the time when the Termination Payment Amount is required to be paid, then the Termination Payment Amount shall be paid solely in cash.

(d) Where the terms of an Employment Contract or any other agreement to which the Corporation or its Designated Affiliates is a party relating to a Termination are preferential (from the Participant's perspective) to this Section 8, this Section 8 shall be subject to the provisions of such Employment Contract or other agreement.

(e) If a Participant shall:

(i) cease to be a director of the Corporation, Nuvo or any of their respective Designated Affiliates for Cause;

(ii) cease to be employed by the Corporation, Nuvo or any of their respective Designated Affiliates for Cause; or

(iii) cease to be engaged by the Corporation, Nuvo or any of their respective Designated Affiliates as a consultant for Cause,

then any Crescita Arrangement SARs held by such Participant at such time shall be deemed to have expired as of the effective date of such termination for Cause and the Participant shall not be entitled to receive any consideration in respect thereof unless otherwise determined by the Committee (provided, for certainty, that the Committee's discretion in this regard is absolute).

9. DILUTION OR OTHER ADJUSTMENTS

In the event of a change in capitalization affecting the Shares, such as payment of a stock dividend, a subdivision, consolidation or reclassification of the Shares or other relevant changes in the capital stock of the Corporation, such proportionate adjustments, if any, as the Committee in its sole discretion may deem appropriate to reflect such change shall be made by the Corporation with respect to the aggregate number of Shares in respect of which Crescita Arrangement SARs were granted and the Grant Price of each such Crescita Arrangement SAR.

10. CHANGE OF CONTROL

(a) Upon a change of control, any Crescita Arrangement SARs held by such Participant shall automatically and immediately vest.

(b) Upon a change of control, the Corporation or the relevant Designated Affiliate, as the case may be, shall pay, and the Participant shall be entitled to receive, in cash, within 30 days following the change of control the amount, if any, determined, in respect of each tranche of Crescita Arrangement SARs, by multiplying:

(i) the positive amount (if any) by which the Fair Market Value of one Share on the change of control exceeds the applicable Grant Price; by

(ii) the number of such outstanding Crescita Arrangement SARs immediately prior to the change of control (the "**Change of Control Payment Amount**").

(c) For certainty, if the amount calculated in Section 10(b)(i) is nil or a negative amount, the Participant shall not be entitled to receive any Change of Control Payment Amount and all of the Participant's outstanding Crescita Arrangement SARs shall automatically expire.

For the purposes of this paragraph, "change of control" shall include and shall be deemed to occur when any one or more of the following occurs after the Arrangement Date: (i) the acquisition of more than thirty percent (30%) of the common shares of the Corporation by any person or a group of persons acting jointly or in concert together with a change of thirty percent (30%) or more of the members of the Board of Directors of the Corporation within 12 months thereafter; (ii) a change of control as defined in a Participant's Employment Contract with the Corporation or any of its Designated Affiliates (if applicable); or (iii) a *de facto* change of control, including a consolidation, merger or amalgamation of the Corporation with or into any other corporation whereby the voting shareholders of the Corporation immediately prior to the consolidation, merger or amalgamation receive less than 50% of the voting rights attaching to the voting shares of the consolidated, merged or amalgamated corporation, including a sale whereby all or substantially all of the Corporation's undertakings and assets become the property of any other corporation or any other event which, in the reasonable opinion of the Committee constitutes a change of control;

11. AMENDMENT AND TERMINATION OF PLAN

The terms and conditions of the Plan as herein set forth may be amended, modified or otherwise changed, in whole or in part, in any manner, by the Directors at any time and from time to time, without shareholder approval, provided that:

(a) the Participants shall be advised by the Corporation of any such amendments, modifications or changes, unless they are immaterial or non-substantive;

(b) any such amendments, modifications or changes shall not affect any Crescita Arrangement SARs then outstanding, unless consented to in writing by the Participant by whom such Crescita Arrangement SARs are held; and

(c) any such amendments, modifications or changes shall be subject to the approval of the Shareholders of the Corporation if required by applicable laws or the policies of any stock exchange on which the Shares are listed.

The Plan may be terminated or discontinued in whole or in part by the Directors at any time, without prior notice to, or the consent of, the Participants, provided that such termination shall not affect any Crescita Arrangement SARs then outstanding, unless consented to in writing by the Participant by whom such Crescita Arrangement SARs are held.

12. PAYMENTS UNDER THE PLAN AND FRACTIONAL SHARES

(a) All payments made under the Plan by the Corporation or any Designated Affiliate (whether satisfied in cash or Shares) shall be made, net of any taxes required to be withheld under applicable legislation and, in the case of any cash payment, be made in Canadian dollars, or, if the Participant is normally resident in the United States, in United States dollars at a rate of exchange to be determined by the Corporation or the Designated Affiliate, as the case may be, at the time of payment.

(b) No fractional Shares shall be issued in connection with the vesting of any Crescita Arrangement SARs. If the Corporation is required or elects to deliver Shares to satisfy a Payment Amount or Termination Payment Amount for any tranche of Crescita Arrangement SARs held by a Participant and the aggregate Payment Amount or Termination Payment Amount (net of any required withholdings pursuant to Section 12(a)) cannot be satisfied through the issuance of a whole number of Shares, the Corporation shall pay the portion of the applicable aggregate amount in respect of such tranche that cannot be satisfied through the issuance of whole Shares in cash, subject to the other terms of this Plan.

13. COMPLIANCE WITH STATUTES AND REGULATIONS

The treatment of Crescita Arrangement SARs under this Plan and the issuance of any Shares shall be carried out in compliance with all applicable statutes and with the regulations of governmental authorities and applicable stock exchanges. If the Committee determines in their discretion that, in order to comply with any such statutes or regulations, certain action is necessary or desirable as a condition of or in connection with this Plan, no payment shall be made or Shares shall be issued in connection with any Crescita Arrangement SARs until such time as that action has been completed in a manner satisfactory to the Committee. Without limiting the foregoing, the deadline by which any Payment Amount or Termination Payment Amount is required to be satisfied shall be extended to the date that is ten business days following the date upon which the Fair Market Value of the Shares in respect of the Vesting Date, Termination or change of control, as applicable, can be determined.

14. TAXES

A Participant shall be solely responsible for all taxes resulting from his or her receipt of a Crescita Arrangement SAR or cash or Shares pursuant to this Plan, except to the extent that the Corporation has, directly or indirectly, withheld cash for remittance to the statutory authorities. In this regard, the Corporation shall be able to deduct from any payments hereunder (whether satisfied in cash or Shares) or from any other remuneration otherwise payable to a Participant any taxes that are required to be withheld and remitted. For greater certainty, with respect to any payment to be satisfied in Shares hereunder, the Corporation shall have no obligation to deliver such Shares until the Participant makes arrangements, reasonably satisfactory to the Corporation, for the payment and remittance of any taxes required to be withheld and remitted in respect of such payment. Each Participant agrees to indemnify and save the Corporation harmless from any and all amounts payable or incurred by the Corporation or any Designated Affiliate if it is subsequently determined that any greater amount should have been withheld in respect of taxes or any other statutory withholding.

15. RIGHTS AS A SHAREHOLDER

No Participant shall have any rights as a shareholder of the Corporation with respect to any Shares which underlie the Crescita Arrangement SARs unless and until Shares are delivered to the Participant in accordance with this Plan. No Participant shall be entitled to receive, and no adjustment shall be made for, any regular dividends, distribution or other rights declared for shareholders of the Corporation.

16. GOVERNING LAW

The Plan, the determinations made and actions taken in connection with the Plan, shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

DATED the _____ day of _____, 2016.

CRESCITA THERAPEUTICS INC.

Per: _____

Authorized Signatory

SCHEDULE 1

PLAN OF ARRANGEMENT

[See above.]

SCHEDULE 2

TERMINATION PAYMENT EXAMPLE

- On January 1, 2014, an employee is granted:
    - 10,000 Crescita Arrangement SARs with a Grant Price of $1.00 and a Vesting Date of January 1, 2016 (the "**2016 Tranche**"); and
    - 10,000 Crescita Arrangement SARs with a Grant Price of $1.50 and a Vesting Date of January 1, 2018 (the "**2018 Tranche**").
- On January 1, 2015 the employee is terminated without Cause. The Share price on January 1, 2015 is $2.00.
- The employee's Termination SARs would be calculated as follows:
    - 2016 Tranche:
        - A = 365
        - B = 730
        - C = 10,000

    Number of vested Crescita Arrangement SARs per Section 8(a) (i.e. Termination SARs): (365 / 730) × 10,000 = 5,000 Crescita Arrangement SARs

    - 2018 Tranche:
        - A = 365
        - B = 1,460
        - C = 10,000

    Number of vested Crescita Arrangement SARs per Section 8(a) (i.e. Termination SARs): (365 / 1460) × 10,000 = 2,500 Crescita Arrangement SARs

- The employee's Termination Payment Amount would be calculated as follows:
    - 2016 Tranche:
        - Appreciation of Crescita Arrangement SARs = $2.00 – $1.00 = $1.00
        - Number of Termination SARs = 5,000

    Termination Payment Amount per Section 8(a): $1.00 × 5,000 = $5,000

    - 2018 Tranche:
        - Appreciation of Crescita Arrangement SARs = $2.00 – $1.50 = $0.50
        - Number of Termination SARs = 2,500

    Termination Payment Amount per Section 8(a): $0.50 × 2,500 = $1,250

APPENDIX Q

AMENDED AND RESTATED NUVO BY-LAW

AMENDED AND RESTATED BY-LAW NUMBER 1

A by-law relating generally to the transaction of the business and affairs of ~~Dimethaid~~Nuvo Research Inc.

CONTENTS

BY-LAW 1

ARTICLE ONE
INTERPRETATION

1.01 **Definitions**: In this by-law and all other by-laws of the Corporation, unless the context otherwise requires:

(a) "**Act**" means the *Business Corporations Act*~~, 1982~~ (Ontario) or its successor, as amended from time to time;

(b) "**Corporation**" means ~~Dimethaid~~Nuvo Research Inc. and its successors;

(c) "**holiday**" means Sunday and any other day that is a holiday as defined in the *Interpretation Act* (Ontario) or its successor, as amended from time to time;

(d) "**person**" includes an individual, body corporate, sole proprietorship, partnership or syndicate, an unincorporated association or organization, a joint venture, trust or employee benefit plan, a government or any agency or political subdivision thereof, and a person acting as trustee, executor, administrator or other legal representative;

(e) "**recorded address**" means, with respect to a single shareholder, the address of such shareholder most recently recorded in the securities register of the Corporation; with respect to joint shareholders, the first address appearing in the securities register of the Corporation in respect of their joint holding; and, with respect to any other person, but subject to the Act, the address of such person most recently recorded in the records of the Corporation or otherwise known to the Secretary of the Corporation;

(f) subject to the foregoing, words and expressions that are defined in the Act have the same meanings when used in the by-laws of the Corporation as in the Act; and

(g) words importing the singular include the plural and vice-versa, words importing any gender include the masculine, feminine and neuter genders, and headings contained in the by-laws of the Corporation are for convenience of reference only and shall not affect the interpretation of the by-laws of the Corporation.

ARTICLE TWO
MEETINGS OF SHAREHOLDERS

2.01 **Annual Meeting**: The annual meeting of the shareholders of the Corporation shall be held on such day and at such time as the board may, subject to the Act, determine from time to time, for the purpose of transacting such business as is properly brought before the meeting.

2.02 **Special Meeting**: From time to time the board may call a special meeting of the shareholders of the Corporation to be held on such day and at such time as the board may determine. Any special meeting of shareholders of the Corporation may be combined with an annual meeting.

2.03 **Place of Meetings**: Meetings of shareholders of the Corporation shall be held at such place within Canada as the board may determine from time to time.

2.04 **Record Date**: The board by resolution may fix in advance a record date, preceding the date of any meeting of shareholders of the Corporation by not more than ~~50 clear~~ 60 days nor less than ~~21 clear~~30 days, for the determination of the shareholders entitled to notice of the meeting, and where no such record date for notice is fixed by the board, the record date for notice shall be the close of business on the day immediately preceding the day on which notice is given. Notice of any such record date fixed by the board shall be given in the manner required by the Act.

2.05 **Notice**: Notice in writing of the time and place of, and purpose for holding, each meeting of shareholders of the Corporation shall be sent not less than 21 ~~clear~~ days nor more than 50 ~~clear~~ days before the date on which the meeting is to ~~beheld~~be held, to each director, the auditor of the Corporation and each person who on the record date for notice appears in the securities register of the Corporation as the holder of one or more shares carrying the right to vote at the meeting or as the holder of one or more shares the holders of which are otherwise entitled to receive notice of the meeting. Notice of a meeting of shareholders of the Corporation shall state or be accompanied by the text of any special resolution or by-law to be submitted to the meeting and a statement in accordance with the Act of the nature of all special business to be transacted at the meeting. If two or more persons are registered as joint shareholders of any share, notice to one of such persons shall be sufficient notice to all of them. Reference is made to sections 7.07 to 7.12 of this by-law.

2.06 **Proxy and Management Information. Circular**: The Secretary or any other officer of the Corporation shall, concurrently with sending notice of a meeting of the shareholders of the Corporation, (i) send a form of proxy and management information circular in accordance with the Act to each shareholder who is entitled to receive notice of, and is entitled to vote at, the meeting, (ii) send such management information circular to any other shareholder of the Corporation who is entitled to receive notice of the meeting, to any director who is not a shareholder entitled to attend thereto and to the auditor of the Corporation, and (iii) file with any regulatory or other agencies entitled thereto, a copy of all documents sent in connection with the meeting.

~~2.07 **Financial Statements**: Not less than 21 clear days before each annual meeting of the shareholders of the Corporation, the Secretary or any other officer of the Corporation shall send to each shareholder of the Corporation, a copy of the annual financial statements of the Corporation and the report of the auditor thereon. The Secretary or any other officer of the Corporation shall also file a copy of the financial statements of the Corporation with any regulatory or other agencies entitled thereto, as and when required.~~

2.07 ~~2.08~~ **Persons Entitled to be Present**: The only persons entitled to attend a meeting of the shareholders of the Corporation shall be those persons entitled to notice thereof, those entitled to vote thereat and others who although not entitled to notice are entitled or required under any provision of the Act or the by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

2.08 ~~2.09~~ **Chairman, Secretary and Scrutineer**: The Chairman of the Board, or in his or her absence, the Vice-Chairman of the Board, or in his or her absence, the President, or in the absence of all of them, a person designated by the board shall be chairman of any meeting of the shareholders of the Corporation. If no such person is present within 15 minutes after the time appointed for the holding of the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. The Secretary of the Corporation shall act as the secretary of the meeting. If the Secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. One or more scrutineers, who need not be shareholders of the Corporation~~.~~, may be appointed by the chairman or by a resolution of the shareholders.

2.09 ~~2.10~~ **Quorum**: The quorum for the transaction of business at any meeting of the shareholders of the Corporation shall be two persons present at the opening of the meeting who are entitled to vote thereat either as shareholders or proxyholders. If a quorum is not present within such reasonable time after the time appointed for the holding of the meeting as the persons present and entitled to vote thereat may determine, such persons may adjourn the meeting to a fixed time and place.

2.10 ~~2.11~~ **Persons Entitled to Vote**: Without prejudice to any other right to vote, every shareholder recorded on the shareholder list prepared for a meeting of the shareholders of the Corporation in accordance with the Act is entitled, at the meeting to which the list relates, to vote the shares shown on such list with respect to such shareholder~~, except to the extent that the shareholder has transferred ownership of any such shares after the record date for notice of the meeting and the transferee establishes that he or she owns the shares and requests not later than two clear days before the meeting that his name be included in the list, in which, case the transferee is entitled to vote such shares at the meeting~~. However, where two or more persons hold the same shares jointly, any one of them may in the absence of the others vote in respect of such shares but, if more than one of such persons are present or represented and vote, they shall vote together as one on the shares jointly held by them or not at all.

2.11 ~~2.12~~ **Proxies**: Shareholders of the Corporation shall be entitled to vote in person or, if a corporation, by a representative duly authorized by a resolution of the directors or other governing body of such corporation. Every shareholder of the Corporation, including a shareholder that is a body corporate, entitled to vote at a meeting of the shareholders of the Corporation may by means of a proxy appoint a proxyholder or alternate proxyholders, who need not be shareholders, as his or her nominee to attend and act at the meeting in the manner, to the extent and with the authority conferred by the proxy.

~~Signatures to instruments of proxy need not be witnessed and may be printed, lithographed or otherwise reproduced thereon~~A proxy shall be in writing executed by the shareholder or by the attorney of the shareholder or shall be an electronic document with an electronic signature and shall conform with the requirements of the Act. The chairman of the meeting shall determine the authenticity of all signatures.

The board by resolution may also permit particulars of instruments of proxy for use at or in connection with any such meeting and, if so determined by the board of directors, any adjournment thereof, to be ~~telecopied, telegraphed, telexed or cabled~~provided as an electronic document to the Secretary of the Corporation or such other agent as the board may from time to time determine prior to any such meeting, and, in such event, such instruments of proxy, if otherwise in order, shall be valid and any votes cast in accordance therewith shall be counted.

The chairman of any meeting of the shareholders of the Corporation may also in his or her discretion, unless otherwise determined by resolution of the board, accept ~~telecopied, telegraphic. telex or cable communication~~electronic documents as to the authority of anyone claiming to vote on behalf of or to represent a shareholder of the Corporation notwithstanding that no instrument of proxy conferring such authority has been lodged with the Corporation and any votes cast in accordance with such ~~telepcopied, telegraphic, telex or cable communication~~electronic document accepted by the chairman of the meeting shall be valid and shall be counted.

A proxy may be signed and delivered in blank and filled in afterwards by the Chairman of the Board, the President, the Secretary or an Assistant-Secretary of the Corporation.

It shall not be necessary to insert in the proxy the number of shares owned by the appointer.

The board may, at the Corporation's expense, send out forms of proxy in which certain directors or officers are named, which may be accompanied by stamped envelopes for the return of the forms, even if the directors so named vote the proxies in favour of their own election as directors.

The board may specify in the notice calling a meeting of shareholders a time~~,~~, not exceeding 48 hours (excluding Saturdays and holidays) preceding the meeting or any adjournment thereof, before which proxies must be deposited with the Corporation or its agent. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, where no such time is specified in such notice, if it has been received by the Secretary of the Corporation or the chairman of the meeting or any adjournment thereof before the time of voting.

A proxy ceases to be valid one year from its date.

2.12 ~~2.13~~ **Voting**: At each meeting of the shareholders of the Corporation every question proposed for consideration by the shareholders of the Corporation shall be decided by a~~.~~ majority of the votes duly cast thereon, unless otherwise required by the articles or ~~bylaws~~by-laws of the Corporation or by law. In case of an equality of votes the chairman of the meeting shall not be entitled to a casting vote. Every question submitted to any meeting of the shareholders of the Corporation may be decided either by a show of hands or by ballot.

Where two or more persons hold a share or shares jointly, any one of them present or represented by proxy at a meeting of the shareholders of the Corporation may, in the absence of the other or others, vote such share or shares but, if more than one of them are present or represented, they shall vote as one on the share or shares jointly held by them.

2.13 ~~2.14~~ **Show of Hands**: At each meeting of the shareholders of the Corporation voting shall be by show of hands unless a ballot is required or demanded as hereinafter provided. Upon a show of hands every person present and entitled to vote on the show of hands shall have one vote. Whenever a vote by show of hands has been taken upon a question, unless a ballot thereon be so required or demanded and such requirement or demand is not withdrawn, a declaration by the chairman of the meeting that the vote upon the question was carried or carried by a particular majority or not carried or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the result of the vote without proof of the number or percentage of votes cast for or against.

2.14 ~~2.15~~ **Ballots**: On any question proposed for consideration at a meeting of the shareholders of the Corporation a ballot may be required by the chairman of the meeting or demanded by any person present and entitled to vote, either before any vote by show of hands or thereafter and prior to the declaration of the result of the vote by show of hands by the chairman of the meeting. If a ballot is so required or demanded and such requirement or demand is not withdrawn, a poll upon the question shall be taken in such manner as the chairman of the meeting shall direct. Subject to the articles of the Corporation, upon a ballot each person present shall be entitled to the number of votes specified in the articles in respect of each share which such person is entitled to vote at the meeting on the question.

2.15 ~~2.16~~ **Procedure at Meetings**: The chairman of any meeting of the shareholders of the Corporation shall conduct the procedure thereat in all respects and the decision of the chairman on all matters or things including, but without in any way limiting the generality of the foregoing, any question regarding the validity or invalidity of any instruments of proxy or ballot, shall be conclusive and binding upon the shareholders of the Corporation, except as otherwise provided in the by-laws of the Corporation.

A meeting of the shareholders of the Corporation may be adjourned only upon the affirmative vote of a majority of the votes cast in respect of shares present or represented in person or by proxy at the meeting. Any business may be brought before or dealt with at any adjourned meeting which may have been brought up or dealt with at the original meeting.

ARTICLE THREE

DIRECTORS

3.01 **Powers of the Board of Directors**: The board of directors of the Corporation shall supervise the management of the business and affairs of the Corporation.

~~3.02 **Qualifications**: A majority of the directors of the Corporation shall be resident Canadians, at least one-third of the directors shall not be officers or employees of the Corporation or of any affiliate of the Corporation, and no person may be a director of the Corporation who is disqualified under the Act.~~

3.02 ~~3.03~~ **Number and Quorum of Directors**: The number of directors of the Corporation shall be the number from time to time fixed by the articles, or the number from time to time determined within the range provided for in the articles by special resolution of the shareholders of the Corporation (or by the directors of the Corporation when empowered to do so by special resolution of the shareholders of the Corporation). The number of directors of the Corporation from time to time required to constitute a quorum for the transaction of business at a meeting of the board shall be 40% of the number of directors so fixed or determined at that time (or, if that is a fraction, the next larger whole number of directors). ~~Reference is made to section 3.09 of this by-law.~~

3.03 ~~3.04~~ **Election and Term**: Directors of the Corporation shall be elected to hold office for a term or terms, respectively, expiring at the close of the first, second or third annual meeting of shareholders following their election or when their successors are duly elected.

3.04 ~~3.05~~ **Vacancies**: Notwithstanding vacancies but subject to the Act, the remaining directors[2] of the Corporation may exercise all the powers of the board as long as a quorum of the board remains in office. Vacancies in the board may be filled in accordance with the Act.

3.05 ~~3.06~~ **Calling Meetings**: Meetings of the board shall be held from time to time at such places within or outside Ontario (or by such communication facilities as are permitted by the Act) on such days and at such times as any two directors or the Chief Executive Officer or the President or any Vice-President who is a director or any other officer designated by the board may determine. In any financial year of the Corporation a majority of the meetings of the board may be held within or outside Canada.

3.06 ~~3.07~~ **Notice**: Notice of the time and of the place or manner of participation for every meeting of the board shall be sent to each director not less than 24 hours (excluding Saturdays and holidays) before the time of the meeting. Reference is made to sections 7.07 to 7.12 of this by-law.

3.07 ~~3.08~~ **First Meeting of New Board**: Each newly constituted board may hold its first meeting without notice on the same day as the meeting of the shareholders of the Corporation at which directors of the Corporation are elected.

~~3.09 **Canadian Majority**: No business, other than the filling of a vacancy on the board, shall be transacted at a meeting of the board unless a majority of the directors present are resident Canadians, except where a resident Canadian director who is unable to be present approves in writing or by telephone or other communication facilities the business transacted at the meeting and a majority of resident Canadian directors would have been present had that director been present at the meeting.~~

3.08 ~~3.10~~ **Chairman**: The Chairman of the Board, or in his or her absence, a Vice-Chairman, or in his or her absence, the President, or in the absence of all of them, a director designated by the board, or in his or her absence, a director designated by the meeting shall be chairman of any meeting of the board.

3.09 ~~3.11~~ **Voting**: At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chairman of the meeting shall not be entitled to a casting vote.

3.10 ~~3.12~~ **Signed Resolutions**: When there is a quorum of directors of the Corporation in office, a resolution in writing signed by all of the directors of the Corporation entitled to vote thereon at a meeting of the board or

any committee thereof is as valid as if passed at such meeting. Any such resolution may be signed in counterparts and if signed as of any date shall be deemed to have been passed on such date.

3.11 ~~3.13~~ **Meetings by Telephone**: If all of the directors of the Corporation consent (such consent may be given at any time), a director of the Corporation may participate in a meeting of the directors of the Corporation or committee thereof by means of such telephone or other communication facilities as permit all persons participating in the meeting to hear each other, and such director shall be deemed to be present at the meeting.

3.12 ~~3.14~~ **Remuneration**: Directors of the Corporation may be paid such remuneration for acting as directors and such amounts in respect of their out-of-pocket expenses incurred in performing their duties as the board may determine from time to time. Any remuneration or expenses so payable shall be in addition to any other amount payable to any director acting in another capacity.

3.13 ~~3.15~~ **Committees**: The board shall appoint an audit committee. The board, from time to time, may appoint other committees of directors including an executive committee, a majority of which shall be resident Canadians. The composition of each committee shall meet the requirements of the Act. Each committee shall have those powers and duties lawfully delegated to it by the board or provided by the Act. Unless otherwise determined by the board, each committee may fix its quorum, elect its chairman and adopt rules to regulate its procedure. Subject to the foregoing, the procedure of each committee shall be governed by the provisions of this by-law which govern proceedings of the board so far as the same can apply, except that a meeting of a committee may be called by any member thereof (or by the auditor, in the case of the audit committee), notice of any such meeting shall be given to each member of the committee (or each member and the auditor, in the case of the audit committee) and the meeting shall be chaired by the chairman of the committee or, in his or her absence, some other member of the committee. The Secretary of the Corporation shall be the secretary of each committee. Each committee shall keep records of its proceedings and transactions and shall report all such proceedings and transactions to the board in a timely manner.

ARTICLE FOUR
OFFICERS AND EMPLOYEES

4.01 **Appointment of Officers**: From time to time, the board may appoint a Chairman of the Board, one or more Vice-Chairman of the Board, a President, one or more Executive Vice-Presidents, one or more Senior Vice-Presidents, one or more Vice-Presidents, a Treasurer, a Secretary, a Controller and such other officers as the board may determine, including one or more assistants to any of the officers so appointed, may designate one officer as Chief Executive Officer of the Corporation and one officer as Chief Financial Officer of the Corporation and may revoke any such designation. One person may hold more than one office. Except for the Chairman of the Board and any Vice-Chairman of the Board, the officers so appointed need not be directors of the Corporations.

4.02 **Appointment of Non-Officers**: The board may also appoint other persons to serve the Corporation in such other positions and with such titles, powers and duties as the board may determine from time to time.

4.03 **Terms of Employment**: The board may settle from time to time the terms of employment of the officers and any other persons appointed by it and may remove at its pleasure any such person without prejudice to his or her rights, if any, to compensation under any employment contract.

4.04 **Powers and Duties of Officers**: The board may from time to time specify the duties of each officer, delegate to him or her powers to manage any business or affairs of the Corporation (including the power to sub-delegate any such duties and powers), all insofar as are not prohibited by the Act. To the extent not otherwise so specified or delegated, and subject to the Act, the duties and powers of the officers of the Corporation shall be those usually pertaining to their respective offices.

4.05 **Incentive Plans**: For the purposes of enabling key officers and employees of the Corporation and its affiliates to participate in the growth of the Corporation and of providing effective incentive to such officers and employees, the board may establish such plans (including stock option plans, stock purchase plans and stock bonus plans) and make such rules and regulations with respect thereto, and such changes in such plans, rules

and regulations, as the board may deem advisable from time to time. From time to time the board may designate the key officers and employees entitled to participate in any such plan. For the purposes of any such plan the Corporation may provide such financial assistance by means of loan, guarantee or otherwise to key officers and employees as is permitted by the Act.

ARTICLE FIVE
CONDUCT OF DIRECTORS AND
OFFICERS AND INDEMNITY

5.01 **Standard of Care**: Every director and officer of the Corporation in exercising his or her powers and discharging his or her duties shall act honestly and in good faith with a view to the best interests of the Corporation and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

5.02 **Disclosure of Interest**: A director or officer of the Corporation who now or in future is a party to, or is a director or officer of, or has a material interest, in another person who is a party to, any existing or proposed material contract or transaction with the Corporation shall, in accordance with the Act, disclose in writing to the Corporation or request to have entered in the minutes of meetings of the board the nature and extent of his or her interest. Except as permitted by the Act, a director of the Corporation so interested shall not vote on any motion to approve such contract or transaction. A general notice to the board by a director or officer of the Corporation that he or she is a director or officer of, or has a material interest in, a person and is to be regarded as interested in any contract made or transaction entered into with that person is a~~.~~ sufficient disclosure of interest in relation to any contract or transaction so made or entered into.

5.03 **Indemnity**: ~~Every person who at any time is or has been a director or officer of the Corporation or who at any time acts or has acted at the request of the Corporation as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and the heirs and legal representatives of every such person, shall at all times be indemnified by the Corporation in every circumstance where the Act so permits or requires. In addition and without prejudice to the foregoing, and subject~~Subject to the limitations in the Act regarding indemnities in respect of derivative actions, ~~every person who at any time is or has been a director or officer of the Corporation or properly incurs or has properly incurred any liability on behalf of the Corporation or who at any time acts or has acted at the request of the Corporation (in respect of the Corporation or any other person), and the heirs and legal representatives of such person, shall at all times be indemnified by the Corporation~~the Corporation may indemnify and save harmless every director or officer, every former director or officer, and every individual who acts or acted at the Corporation's request as a director or officer or an individual in a similar capacity of another entity, from and against all costs, charges and expenses, including an amount paid to settle an action or satisfy a~~tine or~~ judgment, reasonably incurred by ~~such person~~that individual in respect of~~, or in connection with,~~ any civil, criminal~~or,~~ administrative ~~action~~, investigative or other proceeding ~~or investigation (apprehended, threatened, pending, under way or completed) to which such person is or may be made a party or in which such person is or may become otherwise involved by reason of being or having been such a director or officer or by reason of so incurring or having so incurred such liability or by reason of so acting or having so acted (or by reason of anything alleged to have been done, omitted or acquiesced in by such person in any such capacity or otherwise in respect of any of the foregoing), and all appeals therefrom,~~to which that individual is involved because of their association with the Corporation or other entity if:

(a) such person acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interest of the other entity for which the individual acted as a director or officer or as an individual in a similar capacity at the Corporation's request; and

(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, such person had reasonable grounds for believing his or her conduct was lawful.

Nothing in this section shall affect any other right to indemnity to which any person may be or become entitled by contract or otherwise, and no settlement or plea of guilty in any action or proceeding shall alone constitute evidence that a person did not meet a condition set out in clause (a) or (b) of this section or any corresponding condition in the Act. From time to time the board may determine that this section shall also apply to the employees of the Corporation who are not directors or officers of the Corporation or to any particular one or more or class of such employees, either

generally or in respect of a particular occurrence or class of occurrences and either prospectively or retroactively (to any date not earlier than the date of this by-law). From time to time thereafter the board may also revoke, limit or vary the continued application of this section.

5.04 **Advance of Costs:** The Corporation may advance money to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to in section 5.03, but such individual shall be required to repay the money if the individual does not fulfil the conditions set out in section 5.05.

5.05 ~~5.04~~ **Limitation of Liability**: So long as such person acts honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or as an individual in a similar capacity at the Corporation's request, no person referred to in section 5.03 of this by-law (including, to the extent it is then applicable to them, any employees referred to therein) shall be liable for any damage, loss, cost or liability sustained or incurred by the Corporation, except where so required by the Act.

5.06 ~~5.05~~ **Insurance**: Subject to the Act, the Corporation may purchase liability insurance for the benefit of any person referred to in section 5.03 of this by-law.

ARTICLE SIX
BORROWING POWERS

6.01 **Borrowing Powers**: The board may, without authorization of the shareholders,

(a) borrow money upon the credit of the Corporation;

(b) issue, reissue, sell or pledge debt obligations of the Corporation;

(c) subject to the provisions of the Act, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and

(d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

6.02 **Delegation of Powers**: The board may by resolution delegate any or all of the powers referred to in section 6.01 of this by-law to a director, a committee of directors or an officer of the Corporation.

ARTICLE SEVEN
MISCELLANEOUS

7.01 **Execution of Documents**: ~~Any contracts or documents to be executed by the Corporation may be signed by any two of the Chairman of the Board, a Vice-Chairman of the Board, the President, an Executive Vice-President, a Senior Vice-President, a Vice-President, the Secretary, the Treasurer or the Controller or by any one of the foregoing persons and a director, an Assistant Secretary, an Assistant Treasurer or an Assistant Controller~~Contracts, documents and other instruments in writing may be signed on behalf of the Corporation by such person or persons as the board may from time to time by resolution designate. In the absence of an express designation as to the persons authorized to sign either contracts, documents or instruments in writing generally or to sign specific contracts, documents or instruments in writing, any one of the directors or officers of the Corporation may sign contracts, documents or instruments in writing on behalf of the Corporation. In addition, the board may from time to time indicate who may or shall sign any particular contract or document or class of contracts or documents. Any officer of the Corporation may affix the corporate seal to any contract or document and may certify a copy of any resolution or of any by-law or contract or document of the Corporation to be a true copy thereof. Subject to the Act, and if authorized by the board, the corporate seal of the Corporation and the signature of any signing officer may be mechanically or electronically reproduced upon any contracts or documents of the Corporation. Any such ~~facsimile~~electronic signature shall bind the Corporation notwithstanding that any signing officer whose signature is so reproduced may have ceased to hold office at the date of delivery or issue of such contracts or documents.

7.02 **Share Certificates**: Every shareholder of the Corporation is entitled at his or her option to a share certificate that complies with the Act and states the number, class and series designation, if any, of the shares of the Corporation held by him or her as appears on the securities register of the Corporation. However, the Corporation is not bound to issue more than one share certificate or acknowledgement in respect of shares held jointly by several persons, and delivery of such certificate or acknowledgement to one of such persons is sufficient delivery to all of them. Share certificates and acknowledgements shall be in such forms as the board by resolution shall approve from time to time and, unless otherwise ordered by the board, shall be signed in accordance with section 7.01 of this by-law and need not be under corporate seal. However, certificates representing shares in respect of which a transfer agent has been appointed shall be signed manually or by facsimile signature by or on behalf of such transfer agent and other share certificates and acknowledgements shall be signed manually by at least one signing officer of the Corporation.

7.03 **Replacement of Share Certificates**: The Secretary of the Corporation may prescribe either generally or in a particular case reasonable conditions, in addition to those provided in the Act~~,~~ upon which a new share certificate may be issued in place of any share certificate which is claimed to have been lost, destroyed or wrongfully taken, or which has become defaced.

7.04 **Registration of Transfer**: No transfer of shares need be recorded in the register of transfers except upon presentation of the share certificate representing such shares endorsed by the appropriate person in accordance with the Act, together with reasonable assurance that the endorsement is genuine and effective, and upon compliance with all other conditions set out in the Act.

7.05 **Dividends**: Subject to the Act and the articles of the Corporation, the board may from time to time declare dividends payable to the shareholders of the Corporation, according to their respective rights and interests in the Corporation. A dividend payable to any shareholder of the Corporation, in money may be paid by cheque payable to the order of the shareholder and shall be mailed to the shareholder by prepaid mail addressed to him or her at his or her recorded address unless he or she directs otherwise. In the case of joint holders the cheque shall be made payable to the order of all of them, unless such joint holders direct otherwise in writing. The mailing of a cheque as aforesaid, unless it is not paid on due presentation, shall discharge the liability of the Corporation for the dividend to the extent of the amount of the cheque plus the amount of any tax thereon which the Corporation has properly withheld. If any dividend cheque sent is not received by the payee thereof, the Corporation shall issue to such person a replacement cheque for a like amount on such reasonable terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the Secretary of the Corporation may require.

7.06 **Dealings with Registered Shareholder**: Subject to the Act, the Corporation may treat the registered owner of a share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payments in respect of the share and otherwise to exercise all of the rights and powers of a holder of the share. The Corporation may, however, treat as the registered shareholder any executor, administrator, heir, legal representative, guardian, committee, trustee, curator, tutor, liquidator or trustee in bankruptcy who furnishes appropriate evidence to the Corporation establishing his, her or its authority to exercise the rights relating to a share of the Corporation.

7.07 **Notices to Shareholders~~,~~, Directors**: Any notice or document required or permitted to be sent by the Corporation to a shareholder or director of the Corporation may be mailed by prepaid Canadian mail in a sealed or unsealed wrapper addressed to, or may be delivered personally to, such person at his or her last recorded address or may be sent by any other means permitted under the Act. If so mailed, the notice or document shall be deemed to have been received by the addressee on the fifth ~~clear~~ day after mailing. If notices or documents so mailed to a shareholder of the Corporation are returned on three consecutive occasions because such shareholder cannot be found, the Corporation need not send any further notices or documents to such shareholder until such shareholder informs the Corporation in writing of his or her new address. If the address of any shareholder of the Corporation does not appear in the records of the Corporation, then any notice or document may be mailed to such address as the person sending the notice or document may consider to be the most likely to reach promptly such shareholder.

7.08 **Notices to Others**: Any notice or document required or permitted to be sent by the Corporation to any other person may be (i) delivered personally to such person. (ii) addressed to such person and delivered to the recorded address of such person, (iii) mailed by prepaid Canadian mail in a sealed or unsealed envelope

addressed to such person at the recorded address of such person or (iv) addressed to such person and sent to the recorded address of such person by ~~telecopier, telegram, telex, cable~~electronic means or any other means of legible communication then in business use in Canada. A notice or document so mailed or sent shall be deemed to have been received by the addressee when deposited in a post office or public letter box (if mailed) or when transmitted by the Corporation on its equipment or delivered to the appropriate communication agency or its representative for dispatch, as the case may be (if sent by ~~telecopier, telegram, cable, telex~~electronic means or other means of legible communication).

7.09 **Changes in Recorded Address**: The Secretary of the Corporation may change the recorded address of any person in accordance with any information the~~.~~ Secretary believes to be reliable.

7.10 **Computation of Days**: In computing any period of days ~~or clear days~~ under the by-laws of the Corporation or the Act, the period shall be deemed to commence ~~on~~ the day following the event that begins the period and shall be deemed to end at midnight on the last day of the period except that~~,~~ if the last day of the period falls on a Sunday or holiday~~,~~ the period shall end at midnight ~~on~~of the day next following that is not a Sunday or holiday.

7.11 **Omissions and Errors**: The accidental omission to give any notice to any person, or the non-receipt of any notice by any person, or any immaterial error in any notice shall not invalidate any proceeding or action taken at any meeting held pursuant to such notice or otherwise founded thereon.

7.12 **Waiver of Notice**: Any person entitled to attend a meeting of the shareholders or directors of the Corporation or a committee thereof may in any manner and at any time waive notice thereof, and attendance of any shareholder of the Corporation or the proxyholder or authorized representative of such shareholder or of any other person at any meeting is a waiver of notice thereof by such shareholder or other person except where the attendance is for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. In addition, where any notice or document is required to be given under the articles or by-laws of the Corporation or the Act, the notice may be waived or the time for sending the notice or document may be waived or abridged at any time with the consent in writing of the person entitled thereto. Any meeting may be held without notice or on shorter notice than that provided for in the by-laws of the Corporation if all persons not receiving the notice to which such persons are entitled waive notice of or accept short notice of the holding of such meeting.

7.13 **Electronic Signatures:** Any requirement under the Act or this by-law for a signature, or for a document to be executed, is satisfied by a signature or execution in electronic form if such is permitted by law and all requirements prescribed by law are met.

7.14 ~~7.13~~ **Repeal of Existing By-Laws**: Upon this By-law ~~1~~ becoming effective, ~~all~~the previous ~~general by-laws~~By-Law Number 1 of the Corporation shall be repealed without prejudice to any action taken thereunder. For greater certainty, all other by-laws of the Corporation, including By-Law Number 2 of the Corporation, shall remain in full force and effect, unamended.

~~**MADE** by the directors this 17th day of September, 1991.~~

ENACTED by the Board of Directors on the 14th day of December, 2015.

"Stephen Lemieux"
Authorized Signatory

TO BE CONFIRMED by the Corporation's shareholders in accordance with the *Business Corporations Act* (Ontario) at the special meeting of shareholders to be held on the 18th day of February, 2016, or any adjournment or postponement thereof.