UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2023

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission file number: 001-35776

Acasti Pharma Inc.
(Exact name of registrant as specified in its charter)

Québec, Canada	**98-1359336**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

2572 boul. Daniel-Johnson, 2nd Floor
Laval, Québec, Canada H7T 2R3
(Address of principal executive offices, including zip code)

450-686-4555
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, no par value per share	ACST	NASDAQ Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of outstanding common shares of the registrant, no par value per share, as of August 9, 2023, was 7,448,033.

ACASTI PHARMA INC.

QUARTERLY REPORT ON FORM 10-Q

For the Quarter Ended June 30, 2023

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report contains information that may be forward-looking information within the meaning of Canadian securities laws and forward-looking statements within the meaning of U.S. federal securities laws, both of which we refer to in this quarterly report as forward-looking information. Forward- looking information can be identified by the use of terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not statements about the present or historical facts.

Although the forward-looking statements in this quarterly report are based upon what we believe are reasonable assumptions, you should not place undue reliance on those forward-looking statements since actual results may vary materially from them.

In addition, the forward-looking statements in this quarterly report are subject to a number of known and unknown risks, uncertainties and other factors many of which are beyond our control, that could cause our actual results and developments to differ materially from those that are disclosed in or implied by the forward-looking statements, including, among others:

- We are heavily dependent on the success of our lead drug candidate, GTX-104.
- Clinical development is a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results. Failure can occur at any stage of clinical development.
- We are subject to uncertainty relating to healthcare reform measures and reimbursement policies which, if not favorable to our drug candidates, could hinder or prevent our drug candidates' commercial success.
- If we are unable to establish sales and marketing capabilities or enter into agreements with third parties to market and sell our drug products, if approved, we may be unable to generate any revenue.
- If we are unable to differentiate our drug products from branded reference drugs or existing generic therapies for similar treatments, or if the U.S. Food and Drug Administration ("FDA") or other applicable regulatory authorities approve products that compete with any of our drug products, our ability to successfully commercialize our drug products would be adversely affected.

- Our success depends in part upon our ability to protect our intellectual property for our drug candidates.
- Intellectual property rights do not necessarily address all potential threats to our competitive advantage.
- We do not have internal manufacturing capabilities, and if we fail to develop and maintain supply relationships with various third-party manufacturers, we may be unable to develop or commercialize our drug candidates.
- The design, development, manufacture, supply, and distribution of our drug candidates are highly regulated and technically complex.
- If we fail to meet applicable listing requirements, the Nasdaq Stock Market may delist our common shares from trading, in which case the liquidity and market price of our common shares could decline.
- The other risks and uncertainties identified in Item 1A. Risk Factors included in our Annual Report on Form 10-K for the year ended March 31, 2023.

All of the forward-looking statements in this quarterly report are qualified by this cautionary statement. There can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the consequences or effects on our business, financial condition, or results of operations that we anticipate. As a result, you should not place undue reliance on the forward-looking statements. Except as required by applicable law, we do not undertake to update or amend any forward-looking statements, whether as a result of new information, future events or otherwise. All forward-looking statements are made as of the date of this quarterly report.

We express all amounts in this quarterly report in U.S. dollars, except where otherwise indicated. References to "$" and "U.S.$" are to U.S. dollars and references to "C$" or "CAD$" are to Canadian dollars.

Except as otherwise indicated, references in this quarterly report to "Acasti," "the Corporation," "we," "us" and "our" refer to Acasti Pharma Inc. and its consolidated subsidiaries.

PART I. FINANCIAL INFORMATION

Item 1: Financial Information

Unaudited Condensed Consolidated Interim Financial Statements

ACASTI PHARMA INC.
Condensed Consolidated Interim Balance Sheet
(Unaudited)

(Expressed in thousands of U.S. dollars except share data)	Notes	June 30, 2023 $	March 31, 2023 $
Assets			
Current assets:			
Cash and cash equivalents		21,633	27,875
Short-term investments	5	15	15
Receivables	4	837	802
Prepaid expenses		1,127	598
Total current assets		23,612	29,290
Operating lease right of use asset		71	463
Equipment		84	104
Intangible assets		41,128	41,128
Goodwill		8,138	8,138
Total assets		73,033	79,123
Liabilities and Shareholders' equity			
Current liabilities:			
Trade and other payables	7	1,886	3,336
Operating lease liability	8	80	75
Total current liabilities		1,966	3,411
Operating lease liability		—	410
Deferred tax liability		7,057	7,347
Total liabilities		9,023	11,168
Shareholders' equity:			
Common shares, no par value per share; unlimited shares authorized as of June 30, 2023 and March 31, 2023; 7,435,533 shares issued and outstanding as of June 30, 2023 and March 31, 2023	9(a)	258,294	258,294
Additional paid-in capital		14,043	13,965
Accumulated other comprehensive loss		(6,038)	(6,038)
Accumulated deficit		(202,289)	(198,266)
Total shareholders' equity		64,010	67,955
Commitments and contingencies	14		
Total liabilities and shareholders' equity		73,033	79,123

See accompanying notes to unaudited interim financial statements.

ACASTI PHARMA INC.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited)

(Expressed in thousands of U.S dollars, except share and per share data)	Notes	Three months ended June 30, 2023 $	Three months ended June 30, 2022 $
Operating expenses			
Research and development expenses, net of government assistance	6	(1,095)	(2,590)
General and administrative expenses		(1,763)	(1,919)
Sales and marketing		(111)	(221)
Restructuring cost	15	(1,485)	—
Loss from operating activities		(4,454)	(4,730)
Foreign exchange gain (loss)		8	(78)
Change in fair value of warrant liabilities		—	10
Interest income and other expense		134	32
Total other income (loss), net		142	(36)
Loss before income tax recovery		(4,312)	(4,766)
Income tax recovery		289	242
Net loss and total comprehensive loss		(4,023)	(4,524)
Basic and diluted loss per share	11	(0.54)	(0.61)
Weighted average number of shares outstanding		7,435,533	7,388,065

See accompanying notes to unaudited interim financial statements

ACASTI PARMA INC.
Condensed Consolidated Interim Statements of Shareholders' Equity
(Unaudited)

(Expressed in thousands of U.S. dollars except share data)	Notes	Common Shares Number	Common Shares Dollar $	Additional paid-in capital $	Accumulated other comprehensive loss $	Deficit $	Total $
Balance, March 31, 2023		7,435,533	258,294	13,965	(6,038)	(198,266)	67,955
Net loss and total comprehensive loss for the period		—	—	—	—	(4,023)	(4,023)
Stock-based compensation	10	—	—	78	—	—	78
Balance at June 30, 2023		7,435,533	258,294	14,043	(6,038)	(202,289)	64,010

(Expressed in thousands of US dollars except for share data)	Notes	Common Shares Number	Common Shares Dollar $	Additional paid-in capital $	Accumulated other comprehensive loss $	Deficit $	Total $
Balance, March 31, 2022		7,381,425	257,990	12,154	(6,037)	(155,837)	108,270
Net loss and total comprehensive loss for the period		—	—	—	—	(4,524)	(4,524)
Cumulative translation adjustment		—	—	—	(2)	—	(2)
Stock-based compensation	10	—	—	464	—	—	464
Net proceeds from shares issued under the at-the-market (ATM) program		34,335	195	—	—	—	195
Balance at June 30, 2022		7,415,760	258,185	12,618	(6,039)	(160,361)	104,403

ACASTI PHARMA INC.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited)

(Expressed in thousands of U.S. dollars)	Notes	Three months ended June 30, 2023 $	Three months ended June 30, 2022 $
Cash flows used in operating activities:			
Net loss for the period		(4,023)	(4,524)
Adjustments:			
Depreciation of equipment		7	167
Stock-based compensation	10	78	464
Change in fair value of warrant liabilities		—	(10)
Income tax recovery		(289)	(242)
Unrealized foreign exchange (gain) loss		—	(10)
Write-off of equipment		13	—
Changes in operating assets and liabilities	12	(2,026)	(1,271)
Net cash used in operating activities		(6,240)	(5,426)
Cash flows from investing activities:			
Acquisition of equipment		—	(7)
Acquisition of short-term investments		—	(16)
Maturity of short-term investment		—	13,281
Net cash from investing activities		—	13,258
Cash flows from financing activities:			
Net proceeds from issuance under the at-the-market (ATM) program	(9a)	—	195
Net cash from financing activities		—	195
Effect of exchange rate fluctuations on cash and cash equivalents		(2)	11
Net (decrease) increase in cash and cash equivalents		(6,242)	8,038
Cash and cash equivalents, beginning of period		27,875	30,339
Cash and cash equivalents, end of period		21,633	38,377
Cash and cash equivalents are comprised of:			
Cash		5,413	38,377
Cash equivalents		16,220	—

See accompanying notes to unaudited interim financial statements.

1. Nature of operation

Acasti Pharma Inc. (“Acasti” or the “Corporation”) is incorporated under the Business Corporations Act (Québec) (formerly Part 1A of the Companies Act (Québec)). The Corporation is domiciled in Canada and its registered office is located at 2572 boul. Daniel-Johnson, 2nd Floor Laval, Québec, Canada H7T 2R3.

The Corporation’s shares are listed on the Nasdaq Capital Market (the "Nasdaq"), and through March 27, 2023 the Corporation's shares were also listed on the TSX Venture Exchange ("TSXV"), in each case, under the symbol "ACST". On March 13, 2023 the Corporation received approval to voluntarily delist from the TSXV. Effective as at the close of trading on March 27, 2023, the Corporation's common shares are no longer listed and posted for trading on the TSXV.

In August 2021, the Corporation completed the acquisition via a share-for-share merger of Grace Therapeutics, Inc. (“Grace”), a privately held emerging biopharmaceutical company focused on developing innovative drug delivery technologies for the treatment of rare and orphan diseases. The post-merger Corporation is focused on building a late-stage specialty pharmaceutical company specializing in rare and orphan diseases and developing and commercializing products that improve clinical outcomes using its novel drug delivery technologies. The Corporation seeks to apply new proprietary formulations to existing pharmaceutical compounds to achieve enhanced efficacy, faster onset of action, reduced side effects, more convenient delivery and increased patient compliance; all of which could result in improved patient outcomes. The active pharmaceutical ingredients chosen by the Corporation for further development may be already approved in the target indication or could be repurposed for use in new indications.

The Corporation has incurred operating losses and negative cash flows from operations in each year since its inception. The Corporation expects to incur significant expenses and continued operating losses for the foreseeable future.

In May 2023, the Corporation implemented a strategic realignment plan to enhance shareholder value that resulted in the Corporation engaging a new management team, streamlining its research and development activities to concentrate on its lead product, GTX 104, and greatly reducing its workforce. Moving forward, the Corporation plans to build a smaller, more focused organization in the United States. Further development of GTX-102 and GTX-101 will occur at such time as additional funding is obtained or strategic partnerships are entered into. This strategic realignment is expected to significantly reduce administrative and research and development expenses and enable the Corporation to extend its available cash resources to the second calendar quarter of 2025.

The Corporation will require additional capital to fund our daily operating needs beyond that time. The Corporation does not expect to generate revenue from product sales unless and until it successfully completes drug development and obtains regulatory approval, which the Corporation expects will take several years and is subject to significant uncertainty. To date, the Corporation has financed its operations primarily through public offerings and private placements of its common shares, warrants and convertible debt and the proceeds from research tax credits. Until such time that the Corporation can generate significant revenue from drug product sales, if ever, it will require additional financing, which is expected to be sourced from a combination of public or private equity or debt financing or other non-dilutive sources, which may include fees, milestone payments and royalties from collaborations with third parties. Arrangements with collaborators or others may require the Corporation to relinquish certain rights related to its technologies or drug product candidates. Adequate additional financing may not be available to the Corporation on acceptable terms, or at all. The Corporation’s inability to raise capital as and when needed could have a negative impact on its financial condition and its ability to pursue its business strategy. The Corporation plans to raise additional capital prior to that time in order to maintain adequate liquidity. Negative results from studies, if any, and depressed prices of the Corporation’s stock could impact the Corporation’s ability to raise additional financing. Raising additional equity capital is subject to market conditions not within the Corporation’s control. If the Corporation does not raise additional funds in this time period, the Corporation may not be able to realize our assets and discharge our liabilities in the normal course of business.

The Corporation remains subject to risks similar to other development stage companies in the biopharmaceutical industry, including compliance with government regulations, protection of proprietary technology, dependence on third-party contractors and consultants and potential product liability, among others. Please refer to the risk factors included in Part 1, Item 1A of the Corporation’s annual report on Form 10-K for the year ended March 31, 2023, filed with the SEC on June 23, 2023 (the “Annual Report”).

Reverse stock split

On June 29, 2023, the Board of Directors of the Corporation approved an amendment to the Corporation's Articles of Incorporation to implement a reverse stock split of the Corporation's Class A common shares, no par value per share, at a ratio of 1-for-6 (the “Reverse Stock Split”). On July 4, 2023, the Corporation filed Articles of Amendment to its Articles of Incorporation with the Registraire des entreprises du Québec, to implement the Reverse Stock Split. All references in these financial statements to number of common shares, warrants and

options, price per share and weighted average number of shares outstanding have been adjusted to reflect the Reverse Stock Split, which became effective on July 10, 2023.

2. Summary of significant accounting policies:

Basis of presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X under the Securities Exchange Act of 1934. Any reference in these notes to applicable guidance is meant to refer to the authoritative U.S. GAAP as found in the Accounting Standards Codification ("ASC") and as amended by Accounting Standards Updates ("ASU") of the Financial Accounting Standards Board ("FASB").

The unaudited condensed consolidated financial statements have been prepared on the same basis as the audited annual consolidated financial statements as of and for the year ended March 31, 2023, and, in the opinion of management, reflect all adjustments, consisting of normal recurring adjustments, necessary for the fair presentation of the Corporation's consolidated financial position as of June 30, 2023, the consolidated results of its operations for the three months ended June 30, 2023 and 2022, its statements of shareholders' equity for the three months ended June 30, 2023 and 2022 and its consolidated cash flows for the three months ended June 30, 2023 and 2022.

These unaudited condensed consolidated financial statements should be read in conjunction with the Corporation's audited consolidated financial statements and the accompanying notes for the year ended March 31, 2023 included in the Corporation's Annual Report. The condensed consolidated balance sheet data as of March 31, 2023 presented for comparative purposes was derived from the Corporation's audited consolidated financial statements but does not include all disclosures required by U.S. GAAP. The results for the three months ended June 30, 2023 are not necessarily indicative of the operating results to be expected for the full year or for any other subsequent interim period.

The Corporation's significant accounting policies are disclosed in the audited consolidated financial statements for the year ended March 31, 2023 included in the Annual Report. There have been no changes to the Corporation's significant accounting policies since the date of the audited consolidated financial statements for the year ended March 31, 2023 included in the Annual Report.

Use of estimates

The preparation of these financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates are based on management's best knowledge of current events and actions that management may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Estimates and assumptions include the measurement of stock-based compensation, accruals for research and development contracts and contract organization agreements, and valuation of intangibles and goodwill. Estimates and assumptions are also involved in measuring the accrual of services rendered with respect to research and development expenditures at each reporting date, and determining which research and development expenses qualify for research and development tax credits and in what amounts. The Corporation recognizes the tax credits once it has reasonable assurance that they will be realized.

3. Recent accounting pronouncements

The Corporation has considered recent accounting pronouncements and concluded that they are either not applicable to the business or that the effect is not expected to be material to the consolidated financial statements as a result of future adoption.

4. Receivables

	Notes	June 30, 2023 $	March 31, 2023 $
Sales tax receivables		426	338
Government assistance	6	361	412
Interest receivable		50	52
Total receivables		837	802

5. Short-term investments

The Corporation holds various marketable securities, with maturities greater than 3 months at the time of purchase, as follows:

	June 30, 2023	March 31, 2023
	$	$
Term deposits issued in CAD currency earning interest at 3% and maturing on March 29, 2024	15	15
Total short-term investments	15	15

6. Government assistance

	June 30, 2023	March 31, 2023
	$	$
Investment tax credit	361	412

Government assistance is comprised of research and development investment tax credits from the Québec provincial government, which relate to qualifiable research and development expenditures under the applicable tax laws. The amounts recorded as receivables are subject to a government tax audit and the final amounts received may differ from those recorded. For the three months ended June 30, 2023 and 2022, the Corporation recorded $(51) and $41, respectively, as an increase and a reduction of research and development expenses in the Statement of Loss and Comprehensive Loss.

Unrecognized Canadian federal tax credits may be used to reduce future Canadian federal income tax and expire as follows:

	$
2029	9
2030	23
2031	36
2032	345
2033	353
2034	348
2035	415
2036	229
2037	252
2038	259
2039	355
2040	226
2041	146
2042	312
2043	642
	3,950

7. Trade and other payables

	June 30, 2023	March 31, 2023
	$	$
Trade payables	607	1,242
Accrued liabilities and other payables	994	946
Employee salaries and benefits payable	285	1,148
Total trade and other payables	1,886	3,336

8. Leases

The Corporation has historically entered into lease arrangements for its research and development and quality control laboratory facility located in Sherbrooke, Québec. As of June 30, 2023, the Corporation had one operating lease with required future minimum payments. On

March 14, 2022, the Corporation renewed the lease agreement effective April 1, 2022, resulting in a commitment of $556 over a 24 months base lease term and 48 months additional lease renewal term. In April 2023, the Corporation elected not to renew the additional 48 months lease renewal term with the lease expected to terminate March 31, 2024. The Corporation accounted for the change in lease term as a lease modification under ASC 842. Due to the modification in lease term, the Corporation remeasured the lease liability and right-of-use asset associated with the lease. As of the effective date of modification, the Corporation recorded an adjustment to the right-of-use asset and lease liability in the amount of $369 based on the net present value of lease payments discounted using an estimate incremental borrowing rate of 4.3%.

The following table contains a summary of the lease costs recognized under ASC 842 and other information pertaining to the Corporation's operating lease for the three month period ended June 30, 2023:

Operating cash flows for operating lease	$	24
Weighted-average remaining lease term (in years)		0.75
Weighted-average discount rate		4.3 %

As the Corporation's lease do not provide an implicit rate, the Corporation utilized its incremental borrowing rate to discount lease payments, which reflects the fixed rate at which the Corporation could borrow on a collateralized basis the amount of the lease payments in the same currency, for a similar term, in a similar economic environment.

Future minimum lease payments under the Corporation's operating lease as of June 30, 2023 were as follows:

	June 30, 2023
	$
2024	81
2025 and thereafter	-
Total lease payments	81
Less: interest	(1)
Total lease liability	80

9. Capital and other components of equity

a. Common Shares

Authorized capital stock

Unlimited number of shares

- Class A shares (Common Shares), voting (one vote per share), participating and without par value. As of June 30, 2023, there were 7,435,533 Class A shares issued and outstanding.
- Class B shares, voting (ten votes per share), non-participating, without par value and maximum annual non-cumulative dividend of 5% on the amount paid per share. Class B shares are convertible, at the holder's discretion, into Class A shares (Common Shares), on a one-for-one basis, and Class B shares are redeemable at the holder's discretion for CAD $4.80 per share, subject to certain conditions. As of June 30, 2023, there were no Class B shares issued and outstanding.
- Class C shares, non-voting, non-participating, without par value and maximum annual non-cumulative dividend of 5% on the amount paid per share. Class C shares are convertible, at the holder's discretion, into Class A shares (Common Shares), on a one-for-one basis, and Class C shares are redeemable at the holder's discretion for CAD $1.20 per share, subject to certain conditions. As of June 30, 2023, there were no Class C shares issued and outstanding.
- Class D and E shares, they are non-voting, non-participating, without par value and maximum monthly non-cumulative dividend between 0.5% and 2% on the amount paid per share. Class D and E shares are convertible, at the holder's discretion, into Class A shares (Common Shares), on a one-for-one basis, and Class D and E shares are redeemable at the holder's discretion, subject to certain conditions. As of June 30, 2023, there were no Class D or E shares issued and outstanding.

At-the-Market ("ATM") Program

On June 29, 2020, the Corporation entered into an amended and restated sales agreement (the "Sales Agreement") with B. Riley FBR, Inc. ("B.Riley"), Oppenheimer & Co. Inc. and H.C. Wainwright & Co., LLC (collectively, the "Agents") to amend the Corporation's existing ATM program. Under the terms of the Sales Agreement, which had a three-year term, the Corporation could issue and sell from time-to-time common shares having aggregate gross proceeds of up to $75,000,000 through the Agents. Subject to the terms and conditions of the

Sales Agreement, the Agents would use their commercially reasonable efforts to sell the common shares from time to time, based upon the Corporation's instructions. The Corporation had no obligation to sell any of the common shares and could, at any time, suspend sales under the Sales Agreement. The Corporation and the Agents could terminate the Sales Agreement in accordance with its terms. Under the terms of the Sales Agreement, the Corporation provided the Agents with customary indemnification rights and the Agents were entitled to compensation at a commission rate equal to 3.0% of the gross proceeds from each sale of the common shares. The Sales Agreement expired pursuant to its terms on June 29, 2023 and the Corporation plans to revisit the renewal of a facility in the coming months.

On November 10, 2021, the Corporation filed a prospectus supplement relating to its at-the-market program, expiring July 7, 2023, with B. Riley, Oppenheimer& Co. Inc. and H.C. Wainwright & Co., LLC acting as agents. Under the terms of the ATM Sales Agreement and the prospectus supplement, the Corporation may issue and sell from time-to-time common shares having an aggregate offering price of up to $75,000,000 through the agents; however, our use of the shelf registration statement on Form S-3 will be limited for so long as we are subject to General Instruction I.B.6 of Form S-3, which limits the amounts that we may sell under the registration statement and in accordance with the ATM agreement. The common shares will be distributed at market prices prevailing at the time of the sale and, as a result, prices may vary between purchasers and during the period of distribution. The volume and timing of sales under the ATM program, if any, will be determined at the sole discretion of the Corporation's board of directors and management.

During the three months ended June 30, 2023, no common shares were sold under the ATM program. During the three months ended June 30, 2022, 34,335 common shares were sold for total net proceeds of approximately $195 with commissions, legal expenses and costs related to the share sale amounting to $6. The common shares were sold at the prevailing market prices, which resulted in an average price of approximately $5.82 per share.

b. Warrants

During the three month period ended June 30, 2023, the remaining 137,370 warrants to acquire one common share at an exercise price of CAD $62.88 expired on May 9, 2023.

10. Stock-based compensation

At June 30, 2023, the Corporation had in place a stock option plan for directors, officers, employees, and consultants of the Corporation ("Stock Option Plan").

The Stock Option Plan continues to provide for the granting of options to purchase common shares. Under the terms of the Stock Option Plan, the exercise price of the stock options granted under the Stock Option Plan may not be lower than the closing price of the Corporation's common shares on the Nasdaq Capital Market at the close of such market the day preceding the grant. The maximum number of common shares that may be issued upon exercise of options granted under the amended Stock Option Plan shall not exceed 20% of the aggregate number of issued and outstanding shares of the Corporation as of July 28, 2022. The terms and conditions for acquiring and exercising options are set by the Corporation's Board of Directors, subject to, among others, the following limitations: the term of the options cannot exceed ten years and (i) all options granted to a director will be vested evenly on a monthly basis over a period of at least twelve (12) months, and (ii) all options granted to an employee will be vested evenly on a quarterly basis over a period of at least thirty-six (36) months.

The total number of options issued to any one consultant within any twelve-month period cannot exceed 2% of the Corporation's total issued and outstanding common shares (on a non-diluted basis). The Corporation is not authorized to grant within any twelve-month period such number of options under the Stock Option Plan that could result in a number of common shares issuable pursuant to options granted to (a) related persons exceeding 2% of the Corporation's issued and outstanding common shares (on a non-diluted basis) on the date an option is granted, or (b) any one eligible person in a twelve-month period exceeding 2% of the Corporation's issued and outstanding common shares (on a non-diluted basis) on the date an option is granted.

The following table summarizes information about activities within the Stock Option Plan for the three month period ended June 30, 2023:

	Number of options	Weighted average exercise price	Weighted average grant date fair value
Outstanding, March 31, 2023	740,957	13.60	11.23
Forfeited/Cancelled	(267,797)	7.72	6.21
Outstanding, June 30, 2023	473,178	16.93	14.07
Exercisable, June 30, 2023	402,247	18.62	15.51

Forfeited and cancelled options were as a result of the Corporations restructuring that occurred during the three months ended June 30, 2023. No options were granted or exercised during the three month period ended June 30, 2023.

Compensation expense recognized under the stock option plan is summarized as follows:

	June 30, 2023	June 30, 2022
	$	$
Research and development expenses	2	158
General and administrative expenses	60	282
Sales and marketing expenses	16	24
	78	464

As of June 30, 2023, there was $130 of total unrecognized compensation cost, related to non-vested stock options, which is expected to be recognized over a remaining weighted average vesting period of 0.97 years.

Corporation equity incentive plan

The Corporation established an equity incentive plan (the "Equity Incentive Plan") for employees, directors, and consultants. The Equity Incentive Plan provides for the issuance of restricted share units (RSUs), performance share units, restricted shares, deferred share units and other stock-based awards, subject to restricted conditions as may be determined by the Board of Directors. There were no such awards outstanding as of June 30, 2023, and June 30, 2022, and no stock-based compensation was recognized for the period ended June 30, 2023 and June 30, 2022 under the Equity Incentive Plan.

11. Loss per share

Diluted loss per share was the same amount as basic loss per share, as the effect of options, and warrants would have been anti-dilutive, as the Corporation has incurred losses in each of the periods presented. All currently outstanding options could potentially be dilutive in the future.

The Corporation excluded the following potential common shares, presented based on amounts outstanding at each period end, from the computation of diluted net loss per share attributable to common shareholders for the periods indicated because including them would have had an anti-dilutive effect:

	June 30, 2023	June 30, 2022
Options outstanding	473,178	704,585
May 2018 public offering warrants	—	137,370
December 2017 public offering warrants	—	147,354

12. Supplemental cash flow disclosure

Changes in operating assets and liabilities

	Three months ended June 30,	
	June 30, 2023	2022
	$	$
Receivables	(35)	(434)
Prepaid expenses	(529)	(839)
Trade and other payables	(1,449)	2
Write-off of operating lease right of use asset	(13)	—
Total changes in operating assets and liabilities	(2,026)	(1,271)

13. Financial instruments

a. Concentration of credit risk

Financial instruments that potentially subject the Corporation to a concentration of credit risk consist primarily of cash and cash equivalents and investments. Cash and cash equivalents and investments are all invested in accordance with the Corporation's Investment Policy with the primary objective being the preservation of capital and the maintenance of liquidity, which risk is managed by dealing only with highly rated Canadian institutions. The carrying amount of financial assets, as disclosed in the consolidated balance sheets, represents the Corporation's credit exposure at the reporting date.

b. Foreign currency risk

The Corporation is exposed to financial risk related to the fluctuation of foreign exchange rates and the degrees of volatility of those rates. Foreign currency risk is limited to the portion of the Corporation's business transactions denominated in currencies other than the Corporation's functional currency of the U.S. dollar. Fluctuations related to foreign exchange rates could cause unforeseen fluctuations in the Corporation's operating results. The Corporation does not use derivative instruments to hedge exposure to foreign exchange risk. The fluctuation of the Canadian dollar in relation to the U.S. dollar and other foreign currencies will consequently have an impact upon the Corporation's net loss.

c. Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Corporation manages liquidity risk through the management of its capital structure and financial leverage. It also manages liquidity risk by continuously monitoring actual and projected cash flows. The Board of Directors reviews and approves the Corporation's operating budgets, and reviews material transactions outside the normal course of business. The Corporation currently does not have long-term debt nor arranged committed sources of financing and is operating via use of existing cash and short-term investment balances. Refer to Note 1 – Nature of Operations.

The Corporation's financial liabilities obligations include trade and other payables, which fall due within the next 12 months.

14. Commitments and contingencies

Research and development contracts and contract research organizations agreements

The Corporation utilize contract manufacturing organizations ("CMOs") for the development and production of clinical materials and contract research organizations ("CROs") to perform services related to its clinical trials. Pursuant to the agreements with these CMOs and CROs, the Corporation has either the right to terminate the agreements without penalties or under certain penalty conditions.

Raw krill oil supply contract

On October 25, 2019, the Corporation signed a supply agreement with Aker Biomarine Antarctic. ("Aker") to purchase raw krill oil product for a committed volume of commercial starting material for CaPre, one of the Corporation's former drug candidates, for a total fixed value of $3.1 million. As at June 30, 2023, the remaining balance of the commitment with Aker amounts to $2.8 million. During the second calendar quarter of 2022, Aker informed the Corporation that Aker believed it had satisfied the terms of the supply agreement as to their obligation to deliver the remaining balance of raw krill oil product, and that the Corporation was therefore required to accept the remaining product commitment and to pay Aker the $2.8 million balance. The Corporation disagrees with Aker's position and believes that Aker is not entitled to further payment under the supply agreement. Accordingly, no liability has been recorded. The dispute was unresolved as of June 30, 2023, and remains unresolved. There is uncertainty as to whether the Corporation will be required to make further payment to Aker in connection with the dispute. Additionally, in the event the Corporation is required to accept delivery from Aker of the remaining balance of raw krill oil product under the supply agreement, there is uncertainty as to whether the Corporation can recover value from the product, which may result in the Corporation incurring a loss on the supply agreement in the near term.

Legal proceedings and disputes

In the ordinary course of business, the Corporation is at times subject to various legal proceedings and disputes. The Corporation assesses its liabilities and contingencies in connection with outstanding legal proceedings utilizing the latest information available. Where it is probable that the Corporation will incur a loss and the amount of the loss can be reasonably estimated, the Corporation records a liability in its consolidated financial statements. These legal contingencies may be adjusted to reflect any relevant developments. Where a loss is not probable or the amount of loss is not estimable, the Corporation does not accrue legal contingencies. While the outcome of legal proceedings is inherently uncertain, based on information currently available, management believes that it has established appropriate legal reserves. Any incremental liabilities arising from pending legal proceedings are not expected to have a material adverse effect on the Corporation's financial position, results of operations, or cash flows. However, it is possible that the ultimate resolution of these matters, if unfavorable, may be material to the Corporation's financial position, results of operations, or cash flows. No reserves or liabilities have been accrued as of June 30, 2023.

15. Restructuring Costs

On May 8, 2023, the Corporation communicated its decision to terminate a substantial amount of its workforce as part of a plan that intended to align the Corporation's organizational and management cost structure to prioritize resources to GTX-104 and reduce losses to improve cash flow and extend available cash resources. The Corporation incurred $1,485 of costs primarily consisting of employee severance costs. Unpaid Liabilities associated with the restructuring costs are recorded in trade and other payables on the consolidated balance sheets.

The Corporation's restructuring charges and payments are comprised of the following:

	Employee severance	Legal	Total
Expenses incurred	1,447	38	1,485
Payments made	(1,212)	-	(1,212)
Balance at June 30, 2023	235	38	274

16. Subsequent events

On July 3, 2023, the Corporation entered into an asset purchase agreement to sell its lab equipment with a net book value of $54 as of June 30, 2023 for $109 in net proceeds.

On July 14, 2023, the Corporation's Board of Directors approved the grant of 446,502 stock options at an exercise price of $2.64 under the Corporation's Stock Option Plan.

On July 19, 2023, the Corporation entered into a new short term lease for its new headquarters located at 2572 boul. Daniel-Johnson, 2nd Floor Laval, Québec, Canada H7T 2R3. On July 24, 2023, the Corporation terminated it's lease for premises located at 3009 boul. de la Concorde East, Suite 102, Laval, Québec, Canada H7E 2B5.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

This management's discussion and analysis ("MD&A") is presented in order to provide the reader with an overview of the financial results and changes to our consolidated balance sheets as at June 30, 2023, and for the three month period then ended. This MD&A also explains the material variations in our results of operations, consolidated balance sheets and cash flows as of and for the three months ended June 30, 2023 and 2022.

Market data, and certain industry data and forecasts included in this MD&A were obtained from internal Corporation surveys and market research conducted by third parties hired by us, publicly available information, reports of governmental agencies and industry publications, and independent third-party surveys. We have relied upon industry publications as our primary sources for third-party industry data and forecasts. Industry surveys, publications and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of that information is not guaranteed. We have not independently verified any of the data from third-party sources or the underlying economic assumptions they have made. Similarly, internal surveys, industry forecasts and market research, which we believe to be reliable based upon our management's or contracted third parties' knowledge of our industry, have not been independently verified. Our estimates involve risks and uncertainties, including assumptions that may prove not to be accurate, and these estimates and certain industry data are subject to change based on various factors, including those discussed in this quarterly report and in our most recently filed Annual Report on Form 10-K, filed with the Securities and Exchange Commission (the "SEC") on June 23, 2023 (the "Annual Report"). This MD&A contains forward-looking information. You should review our important note about forward-looking statements presented at the beginning of this quarterly report.

This MD&A should be read in conjunction with our unaudited condensed consolidated interim financial statements for the three months ended June 30, 2023 and 2022 included elsewhere in this quarterly report. Our interim financial statements were prepared in accordance with U.S. GAAP.

All amounts appearing in this MD&A for the period-by-period discussions are in thousands of U.S. dollars, except share and per share amounts or unless otherwise indicated.

Business Overview

We are focused on developing and commercializing products for rare and orphan diseases that have the potential to improve clinical outcomes by using our novel drug delivery technologies. We seek to apply new proprietary formulations to approved and marketed pharmaceutical compounds to achieve enhanced efficacy, faster onset of action, reduced side effects, more convenient drug delivery and increased patient compliance; all of which could result in improved patient outcomes. The active pharmaceutical ingredients used in the drug candidates under development by Acasti may be already approved in a target indication or could be repurposed for use in new indications.

The existing well understood efficacy and safety profiles of these marketed compounds provides the opportunity for us to utilize the Section 505(b)(2) regulatory pathway under the Federal Food, Drug and Cosmetic Act for the development of our reformulated versions of these drugs, and therefore may provide a potentially shorter path to regulatory approval. Under Section 505(b)(2), if sufficient support of a product's safety and efficacy either through previous U.S. Food and Drug Administration ("FDA") experience or sufficiently within the existing and accepted scientific literature, can be established, it may eliminate the need to conduct some of the pre-clinical studies and clinical trials that new drug candidates might otherwise require.

Our therapeutic pipeline consists of three unique clinical stage and multiple pre-clinical stage assets supported by an intellectual property portfolio of more than 40 granted and pending patents in various jurisdictions worldwide. These drug candidates aim to improve clinical outcomes in the treatment of rare and orphan diseases by applying proprietary formulation and drug delivery technologies to existing pharmaceutical compounds to achieve improvements over the current standard of care, or to provide treatment for diseases with no currently approved therapies.

We believe that rare disorders represent an attractive area for drug development, and there remains an opportunity for us to utilize already approved drugs that have established safety profiles and clinical experience to potentially address significant unmet medical needs. A key advantage of pursuing therapies for rare disorders is the potential to receive orphan drug designation ("ODD") from the FDA. Our three drug candidates currently in clinical development have received ODD status, provided certain conditions are met at new drug application ("NDA") approval. ODD provides for seven years of marketing exclusivity in the United States post-launch, provided certain conditions are met, and the potential for faster regulatory review. ODD status can also result in tax credits of up to 50% of clinical development costs conducted in the United States upon marketing approval and a waiver of the NDA fees, which we estimate can translate into savings of approximately $3.2 million for our lead drug candidate, GTX-104. Developing drugs for rare diseases can often allow for clinical trials that are more manageably scaled and may require a smaller, more targeted commercial infrastructure.

The specific diseases targeted for drug development by us are well understood, although the patient populations suffering from such diseases may remain poorly served by available therapies or in some cases, approved therapies do not yet exist. We aim to effectively treat debilitating symptoms that result from these underlying diseases.

Our lead drug candidate:

- GTX-104 is a clinical stage, novel, injectable formulation of nimodipine being developed for intravenous infusion (IV) in aneurysmal subarachnoid hemorrhage (aSAH) patients to address significant unmet medical needs. The unique nanoparticle technology of GTX-104 facilitates aqueous formulation of insoluble nimodipine for a standard peripheral IV infusion. GTX-104 provides a convenient IV delivery of nimodipine in the Intensive Care Unit eliminating the need for nasogastric tube administration in unconscious or dysphagic patients. Intravenous delivery of GTX-104 also has the potential to lower food effects, drug-to-drug interactions, and eliminate potential dosing errors. Further, GTX-104 has the potential to better manage hypotension in aSAH patients. GTX-104 has been administered in over 150 healthy volunteers and was well tolerated with significantly lower inter- and intra-subject pharmacokinetic variability compared to oral nimodipine. The pivotal PK bridging study was successfully completed in May 2022.

Other pipeline drug candidates:

- GTX-102, an oral-mucosal betamethasone spray for the treatment of Ataxia Telangiectasia ("A-T"), a complex orphan pediatric genetic neurodegenerative disorder usually diagnosed in young children, for which no FDA approved treatment currently exists.

- GTX-101, a topical bioadhesive film-forming bupivacaine spray for Postherpetic Neuralgia ("PHN"), which can be persistent and often causes debilitating pain following infection by the shingles virus. We believe that GTX-101 could be administered to patients with PHN to treat pain associated with the disease.

In May 2023, we announced the strategic decision to prioritize development of GTX-104 with a goal to advance the product candidate to commercialization, while conserving resources as much as possible to complete development efficiently. We estimate that the deferral of GTX-102 and GTX-101 clinical development could be at least three years given the timeline to complete the development and potential commercial launch of GTX-104. Further development of GTX-102 and GTX-101 will occur at such time as we obtain additional funding or enter into strategic partnerships for license or sale with third parties.

The decision to defer further development of GTX-102 and GTX-101 triggered a comprehensive impairment review of our intangible assets as of March 31, 2023. Given the extended timeline, we increased the discount rates used to value the related assets in order to recognize additional risks related to prioritizing one asset over the others, financing the projects given limited available resources and the need to preserve cash to advance GTX-104 as far as possible, potential competitor advances that could arise over three years, and the general market depression affecting small cap development companies like us and the prohibitively high dilution and expense of available funding in the capital markets. Increasing the discount rates significantly reduced the discounted cash flow values for each of the programs deferred. Accordingly, in the quarter ended March 31, 2023 we booked impairment charges related to GTX-102 and GTX-101 of $22.7 million and $6.0 million respectively, together with further adjustments made to deferred taxes and goodwill directly related to those assets. The impairment charge overall amounted to $33.5 million. We continue to believe that GTX-102 and GTX-101 may eventually provide significant value when development resumes and, if approved, commercialized successfully.

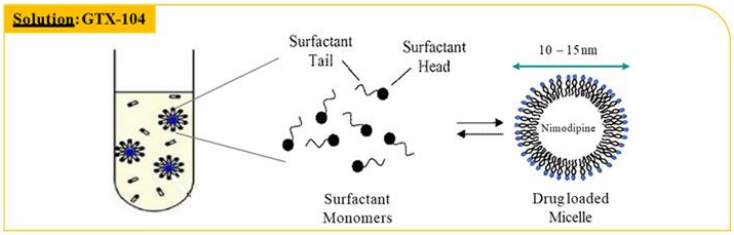
Our management team possesses significant experience in drug formulation and drug delivery research and development, clinical and pharmaceutical development and manufacturing, regulatory affairs, and business development, as well as being well-versed in late-stage drug development and commercialization. Importantly, our team is comprised of industry professionals with deep expertise and knowledge, including a world-renowned practicing neurosurgeon-scientist and respected authority in aSAH, as well as product development, chemistry, manufacturing and controls ("CMC"), planning, implementation, management, and execution of global Phase 2 and Phase 3 trials for a drug candidate for aSAH.

GTX-104 Overview

Nimodipine was granted FDA approval in 1988, and is the only approved drug that has been clinically shown to improve neurological outcomes in aSAH patients. It is only available in the United States as a generic oral capsule and as a branded oral liquid solution called NYMALIZE™, which is manufactured and sold by Arbor Pharmaceuticals (acquired in September 2021 by Azurity Pharmaceuticals). Nimodipine has poor water solubility and high permeability characteristics as a result of its high lipophilicity. Additionally, orally administered nimodipine has dose-limiting side-effects such as hypotension, poor absorption and low bioavailability resulting from high first-pass metabolism, and a narrow administration window as food effects lower bioavailability significantly. Due to these issues, blood levels of orally administered nimodipine can be highly variable, making it difficult to manage blood pressure in aSAH patients. Nimodipine capsules are also difficult to administer, particularly to unconscious patients or those with impaired ability to swallow. Concomitant use with CYP3A inhibitors is contraindicated (NIMODIPINE Capsule PI).

NIMOTOP™ is an injectable form of nimodipine that is manufactured by Bayer Healthcare. It is approved in Europe and in other regulated markets (but not in the United States). It has limited utility for aSAH patients because of its high organic solvent content, namely 23.7% ethanol and 17% polyethylene glycol 400 (NIMOTOP SmPC).

•GTX-104 is a clinical stage, novel formulation of nimodipine for IV infusion in aSAH patients. It uses surfactant micelles as the drug carrier to solubilize nimodipine. This unique nimodipine injectable formulation is composed of a nimodipine base, an effective amount of polysorbate 80, a non-ionic hydrophilic surfactant, and a pharmaceutically acceptable carrier for injection. GTX-104 is supplied as an aqueous concentrate that upon dilution with saline, dextrose or lactated ringer, is a ready-to-use infusion solution, which is stable and clear.



Key Potential Benefits:

•Novel nanoparticle technology facilitates aqueous formulation of insoluble nimodipine for a safe, standard peripheral IV infusion:

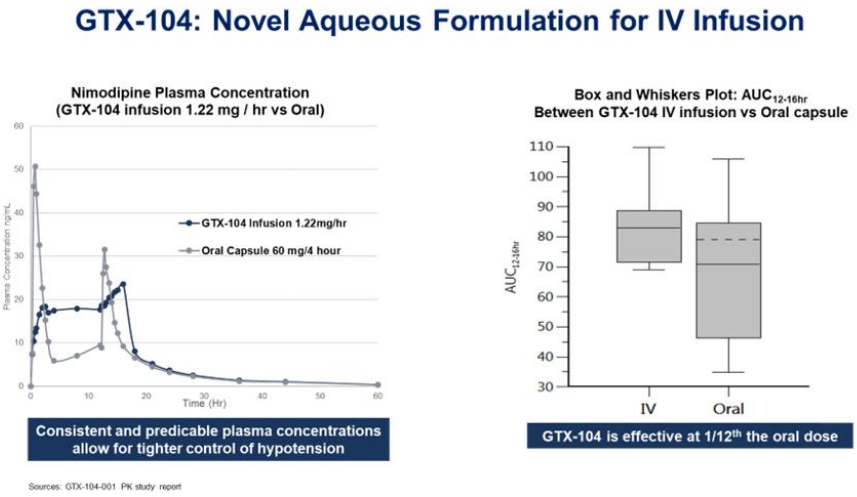
•Better control of blood pressure and improved management of hypotension

•100% bioavailability

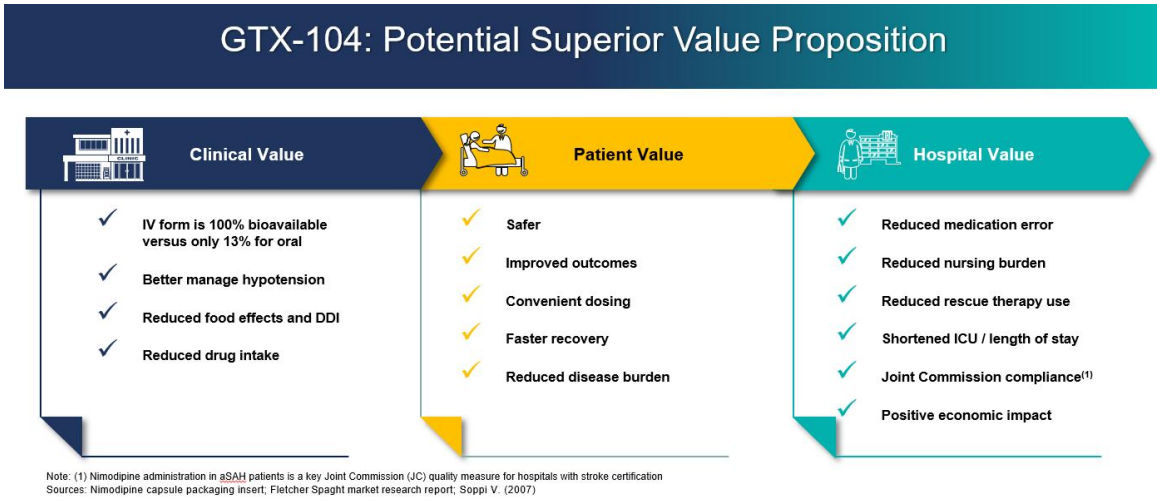
•Eliminates food effects that impact the absorption of the oral form of nimodipine

•Lower inter and intra-subject variability as compared to oral nimodipine

GTX-104 could provide a more convenient mode of administration as compared to generic nimodipine capsules or NYMALIZE™, GTX-104 is administered as and intravenous infusion compared to oral administration via a nasogastric tube in unconscious patients every four hours for both nimodipine capsules and NYMALIZE™. Therefore, GTX-104 could make a major contribution to patient care by potentially reducing the dosing associated nursing burden. More convenient continuous, and consistent dosing can also reduce the risk of medication errors. In addition, as depicted in the charts below, two PK studies have shown that GTX-104 has the potential to provide improved bioavailability and show reduced inter- and intra-subject variability compared to oral nimodipine, which is hypothesized to limit the risk of hypotension and to better achieve a desired therapeutic concentration. The variability was observed higher following the capsule administration as compared to IV infusion administration (nimodipine exposure variability at steady state observed 37.5% following oral capsule administration versus 15.5%, following GTX-104 IV infusion) Because of its IV formulation, we also expect GTX-104 to reduce certain drug-drug interactions and food effects.



Despite the positive impact it has on recovery, physicians often must discontinue their patients from oral nimodipine, primarily as a result of hypotensive episodes that cannot be controlled by titrating the oral form of drug. Such discontinuation could potentially be avoided by administering GTX-104, which because of its IV administration, may reduce the complexity associated with the need for careful attention to the timing of nimodipine administration at least one hour before or two hours after a meal. Also, unconscious patients will likely receive more consistent concentrations of nimodipine when delivered via the IV route as compared to oral gavage or a nasogastric tube. More consistent dosing is expected to result in a reduction of vasospasm and a better, more consistent management of hypotension. As summarized in the table below, we also anticipate reduced use of rescue therapies, such as vasopressors, and expensive hospital resources, such as the angiography suite, are possible by more effectively managing blood pressure with GTX-104. Reduced incidences of vasospasm could result in shorter length of stay and better outcomes.



About aneurysmal Subarachnoid Hemorrhage (aSAH)

aSAH is bleeding over the surface of the brain in the subarachnoid space between the brain and the skull, which contains blood vessels that supply the brain. A primary cause of such bleeding is rupture of an aneurysm. The result is a relatively uncommon type of stroke that accounts for about 5% of all strokes and has an incidence of six per 100,000 person years.

In contrast to more common types of stroke in elderly individuals, aSAH often occurs at a relatively young age, with approximately half the affected patients younger than 60 years old. Approximately 10% to 15% of aneurysmal SAH ("aSAH") patients die before reaching the hospital, and those who survive the initial hours post hemorrhage are admitted or transferred to tertiary care centers with high risk of complications, including rebleeding and delayed cerebral ischemia ("DCI"). Systemic manifestations affecting cardiovascular, pulmonary, and renal function are common and often complicate management of DCI. Approximately 70% of aSAH patients experience death or a permanent dependence on family members, and half die within one month after the hemorrhage. Of those who survive the initial month, half remain permanently dependent on a caregiver to maintain daily living.

We estimate that approximately 50,000 individuals experience aSAH each year in the U.S. based on third-party market research, and that total addressable market for SAH is approximately $300 million in the U.S. There are an estimated 150,000 aSAH patients each year in China and approximately 55,000 patients in the European Union based on annual inpatient admissions and the average length-of-stay.

GTX-104 Recent Activities & Near Term Milestones: Conduct Phase 3 Safety Trial

In September 2021, we initiated our pivotal PK bridging trial to evaluate the relative bioavailability of GTX-104 compared to currently marketed oral nimodipine capsules in approximately 50 healthy subjects. The PK trial was the next required step in our proposed 505(b)(2) regulatory pathway for GTX-104.

Final results from this pivotal PK trial were reported on May 18, 2022, and showed that the bioavailability of GTX-104 compared favorably with the oral formulation of nimodipine in all subjects, and no serious adverse events were observed for GTX-104.

All three endpoints indicated that statistically there was no difference in exposures between GTX-104 and oral nimodipine over the defined time periods for both maximum exposure and total exposure. Plasma concentrations obtained following IV administration showed significantly less variability between subjects as compared to oral administration of capsules, since IV administration is not as sensitive to some of the physiological processes that affect oral administration, such as taking the drug with and without meals, variable gastrointestinal transit time, variable drug uptake from the gastrointestinal tract into the systemic circulation, and variable hepatic blood flow and hepatic first pass metabolism. Previous studies have shown these processes significantly affect the oral bioavailability of nimodipine, and therefore cause oral administration to be prone to larger inter- and intra-subject variability.

The bioavailability of oral nimodipine capsules observed was only 8% compared to 100% for GTX-104. Consequently, about one-twelfth the amount of nimodipine is delivered with GTX-104 to achieve the same blood levels as with the oral capsules.

No serious adverse events and no adverse events leading to withdrawal were reported during the trial.

Next Steps – Initiate Phase 3 Safety Trial for GTX-104

In April 2023, we received a Type C written meeting response and clarifying feedback from the FDA on our proposed Phase 3 safety trial for GTX-104. The FDA provided additional comments on our development plan that, pending submission of the final clinical protocol and FDA approval of same, will allow us to proceed with the initiation of a Phase 3 safety clinical trial in aSAH patients. On July 5, 2023, we announced the alignment with the U.S. Food and Drug Administration on our GTX-104 pivotal Phase 3 safety trial protocol.

The FDA concurred with the suitability of the 505(b)(2) regulatory pathway with the selected Reference Listed Drug NIMOTOP oral capsules (NDA 018869), and that our GTX-104-002 PK trial may have met the criteria for a scientific bridge.

Based on the proposed design of our Phase 3 trial, which we have titled STRIVE-ON (Safety, Tolerability, Randomized, IV and Oral Nimodipine), the clinical trial will be a prospective, open-label, randomized (1:1 ratio), parallel group trial of GTX-104 compared with oral nimodipine, in patients hospitalized for aSAH. Key trial design features include:

- Approximately 100 patients will be enrolled at an estimated 25 hospitals in the U.S.
- The primary endpoint is safety and will be measured as comparative adverse events, including hypotension, between the two groups.
- GTX-104 will be administered as a continuous IV infusion of 0.15 mg/hour, and a 30-minute IV bolus of 4 mg every 4 hours. Oral nimodipine will be administered as 60 mg (two 30 mg capsules) every 4 hours.
- Both groups will receive their assigned GTX-104 or oral nimodipine for up to 21 consecutive days and will be evaluated from commencement of patient treatment through a 90-day follow-up period.

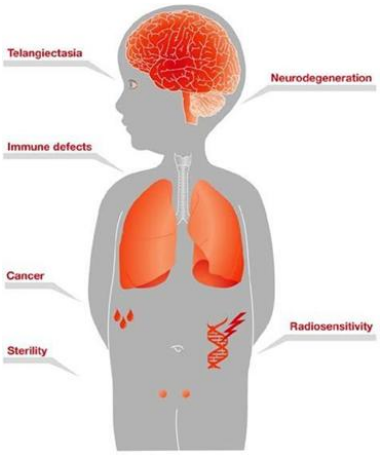
We expect the first patient to be enrolled during the fourth quarter of calendar year of 2023. The trial is expected to take approximately 18 months to complete from the time the first patient is enrolled, and we expect this safety trial to be the final clinical step required to seek FDA approval under the 505(b)(2) regulatory pathway. Before submitting an NDA, we plan to hold a pre-NDA meeting with the FDA.

GTX-102 Overview

GTX-102 is a novel, concentrated oral-mucosal spray of betamethasone intended to improve neurological symptoms of A-T for which there are currently no FDA-approved therapies. GTX-102 is a stable, concentrated oral spray formulation comprised of the gluco-corticosteroid betamethasone that together with other excipients can be sprayed conveniently over the tongue of the A-T patient and is rapidly absorbed.

About Ataxia Telangiectasia

A-T is a rare genetic progressive autosomal recessive neurodegenerative disorder that affects children, with the hallmark symptoms of cerebellar ataxia and other motor dysfunction, and dilated blood vessels (telangiectasia) that occur in the sclera of the eyes. A-T is caused by mutations in the ataxia telangiectasia gene, which is responsible for modulating cellular response to stress, including breaks in the double strands of DNA.



Children with A-T begin to experience balance and coordination problems when they begin to walk (toddler age), and ultimately become wheelchair-bound in their second decade of life. In pre-adolescence (between ages 5 and 8), patients experience oculomotor apraxia, dysarthria, and dysphagia. They also often develop compromised immune systems and are at increased risk of developing respiratory tract infections and cancer (typically lymphomas and leukemia).

A-T is diagnosed through a combination of clinical assessment (especially neurologic and oculomotor deficits), laboratory analysis, and genetic testing. There is no known treatment to slow disease progression, and treatments that are used are strictly aimed at controlling the symptoms (e.g., physical, occupational or speech therapy for neurologic issues), or conditions secondary to the disease (e.g., antibiotics for lung infections, chemotherapy for cancer, etc.). There are no FDA-approved therapeutic options currently available. Patients typically die by age 25 from complications of lung disease or cancer. According to a third-party report we commissioned, A-T affects approximately 4,300 patients per year in the United States and has a potential total addressable market of $150 million, based on the number of treatable patients in the United States.

GTX-102 - R&D and Clinical Trials to Date

We have licensed the data from the multicenter, double-blinded, randomized, placebo-controlled crossover trial from Azienda Ospedaliera Universitaria Senese, Siena, Italy, where Dr. Zannolli et. al. studied the effect of oral liquid solution of betamethasone to reduce ataxia symptoms in patients with A-T. This oral liquid solution is not marketed in the United States, and therefore is not available for clinical use; currently, betamethasone is only available in the United States as an injectable or as a topical cream. This license gives us the right to reference the trial's data in our NDA filing. On November 12, 2015, we submitted the data from the Zannolli trial to the FDA's Division of Neurology at a pre-Investigational New Drug ("IND") meeting and received guidance from the agency on the regulatory requirements to seek approval.

In a multicenter, double-blind, randomized, placebo-controlled crossover trial conducted in Italy, Dr. Zannolli et al. studied the effect of an oral liquid solution of betamethasone on the reduction of ataxia symptoms in 13 children (between ages 2 to 8 years) with A-T. The primary outcome measure was the reduction in ataxia symptoms as assessed by the International Cooperative Ataxia Rating Scale ("ICARS").

In the trial, oral liquid betamethasone reduced the ICARS total score by a median of 13 points in the intent-to-treat population and 16 points in the per-protocol population (the median percent decreases of ataxia symptoms of 28% and 31%, respectively). Adverse events in the trial were minimal, with no compulsory withdrawals and only minor side effects that did not require medical intervention. Clinical trial results in A-T patients administered oral betamethasone indicated that betamethasone significantly reduced ICARS total score relative to placebo ($P = 0.01$). The median ICARS change score (change in score with betamethasone minus change in score with placebo) was -13 points (95% confidence interval for the difference in medians was -19 to -5.5 points).

Based on the Zannolli data, we believe that our GTX-102 concentrated oral spray has the potential to provide clinical benefits in decreasing A-T symptoms, including assessments of posture and gait disturbance and kinetic, speech and oculomotor functions. In addition, GTX-102 may ease drug administration for patients experiencing A-T given its application of 1-3x/day of 140µL of concentrated betamethasone liquid sprayed onto the tongue using a more convenient metered dose delivery system, as these A-T patients typically have difficulty swallowing.

GTX-102 PK Data to Date:

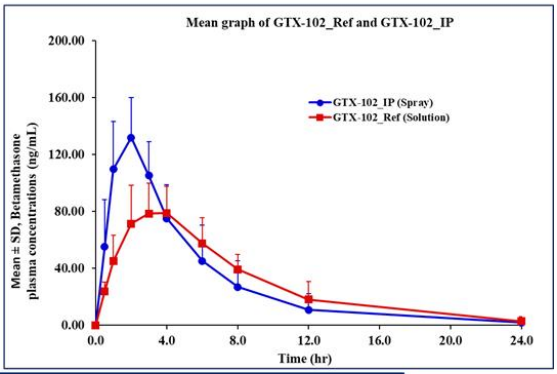
GTX-102 administered as a concentrated oral spray achieves similar blood levels at only 1/70th the volume of an oral solution of betamethasone. This more convenient mode of administration will be important for A-T patients who have difficulties swallowing large volumes of liquids.

Nonclinical PK Comparison of GTX-104 Betamethasone Oral Spray vs. Oral Solution Marketed in Europe

Group/Formulation	Group 1, GTX-102_IP	Group 2, GTX-102_Ref
Lot Number	GTX-102-008	GTX-102-009
Pk Parameters/Dose/ROA	0.292 mg/rabbit, Oral Spray	0.25 mg/rabbit, Oral solution
C_{max} (ng/mL)	158.17 ± 31.30 (20)	82.63 ± 23.06 (28)
T_{max} (hr) [a]	2.0 (1.0 - 3.0)	3.0 (2.0 - 4.0)
AUC_{last} (ng*hr/mL)	851.16 ± 314.19 (37)	709.29 ± 193.51 (27)
AUC_{inf} (ng*hr/mL)	866.02 ± 336.77 (39)	729.40 ± 217.86 (30)
Kel (1/hr))	0.19 ± 0.04 (23)	0.19 ± 0.06 (29)
$t_{1/2}$ (hr)	3.91 ± 0.92 (23)	3.93 ± 1.21 (31)
CL/F (mL/min)	6.19 ± 1.85 (30)	6.11 ± 1.67 (27)
V_z/F (L)	2.06 ± 0.75 (37)	2.00 ± 0.52 (26)
Relative Bioavailability (% F)	103.70 ± 23.7 (23)	-

Note: Values are mean ± SD (% CV); [a] represents Median (minimum-maximum); ROA=Route of administration; CV=Coefficient of variation

Mean plasma pharmacokinetic parameters of Betamethasone following reference (oral solution) and GTX-102 (oral mucosal spray) administered orally in rabbits show similar characteristics.



Results achieved for GTX-102 oral mucosal spray were equivalent to the marketed betamethasone oral solution at only 1/70th the volume

Source: GTX-102 nonclinical study report

We initiated a PK bridging trial of GTX-102 as compared to the oral liquid solution of betamethasone used in the Zannolli trial and against the injectable form of betamethasone that is approved in the U.S. in the third calendar quarter of 2022. The primary objectives of the PK bridging trial were to evaluate the bioavailability, pharmacokinetics and safety of GTX-102. On December 28, 2022, we reported that the topline results of this trial met all primary outcome measures.

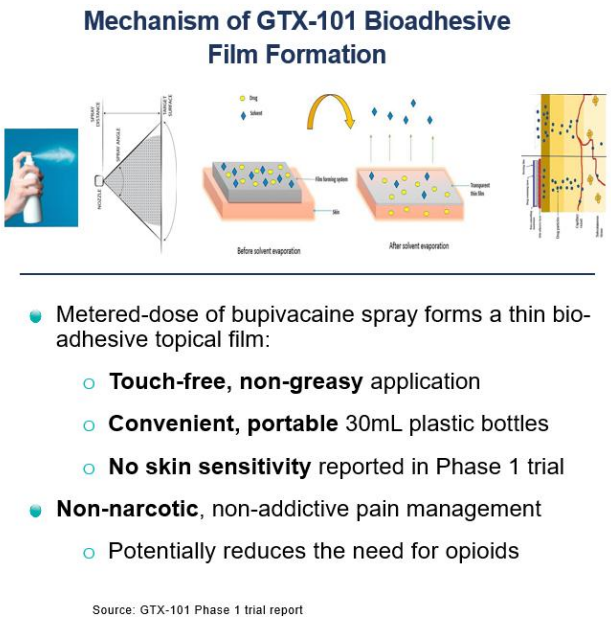
Results showed that GTX-102 betamethasone blood concentrations were highly predictable and consistent based on AUC (the area under the concentration time curve up to 72 hours post-dose, extrapolated to infinity) and Cmax (the maximum concentration occurring between 0 hour to 72 hours after trial drug administration), indicating good linearity and dose-proportionality. GTX-102 betamethasone blood concentrations were within the same range of exposure as IM betamethasone, based on AUC. This IM formulation will serve as a bridge for GTX-102 in the context of the proposed 505(b)(2) regulatory pathway. GTX-102 betamethasone blood concentrations were also within the same range of exposure as Oral Solution (OS), based on AUC. This OS formulation was used by Zannolli and may serve as a clinical comparator for further clinical development. Furthermore, statistically there was no significant difference ($p>0.05$) between GTX-102 administered at a fast rate (each spray immediately following the preceding one) vs. a slow rate (1 spray/minute), as indicated by Cmax and AUC. We believe this result is important because being able to use the fast or the slow rate of administration may provide greater flexibility for patients and caregivers. The Cmax of GTX-102 was within the same range of exposure as the OS, but the Cmax for the IM formulation was lower than both GTX-102 and the OS, as well as what has been reported previously for the IM in industry publications. It is important to note that achieving bioequivalence with the IM was not an objective of this trial, nor was it expected. Finally, of the 48 healthy adult subjects, no serious adverse events (AE) were reported, and the most frequent drug-related adverse effect was mild headache (4 cases).

The further development of GTX-102 has been deprioritized in favor of our focus on development of GTX-104. Pending additional funding for GTX-102 or the signing of a strategic partnership, we will work with our clinical experts and the FDA to determine the best final dosing regimen for GTX-102 to incorporate into our Phase 3 trial design. Based on previous discussions with the FDA, we plan to conduct a

confirmatory Phase 3 safety and efficacy trial in A-T patients, and plan to seek guidance from the FDA on the trial design at a Type B meeting if and when development of GTX-102 resumes. It is also possible that we may out-license or sell our GTX-102 drug candidate.

GTX-101 Overview

GTX-101 is a non-narcotic, topical bio-adhesive film-forming bupivacaine spray designed to ease the symptoms of patients suffering with postherpetic neuralgia ("PHN"). GTX-101 is administered via a metered-dose of bupivacaine spray and forms a thin bio-adhesive topical film on the surface of the patient's skin, which enables a touch-free, non-greasy application. It also comes in convenient, portable 30 ml plastic bottles. Unlike oral gabapentin and lidocaine patches, we believe that the biphasic delivery mechanism of GTX-101 has the potential for rapid onset of action and continuous pain relief for up to eight hours. No skin sensitivity was reported in a Phase 1 trial.



About Postherpetic Neuralgia (PHN)

PHN is neuropathic pain due to damage caused by the varicella zoster virus ("VZV"). Infection with VZV causes two distinct clinical conditions. Primary VZV infection causes varicella (i.e., chickenpox), a contagious rash illness that typically occurs among young children. Secondary VZV can reactivate clinically, decades after initial infection, to cause herpes zoster ("HZ"), otherwise known as shingles. Acute HZ arises when dormant virus particles, persisting within an affected sensory ganglion from the earlier, primary infection with VZV become reactivated when cellular immunity to varicella decreases. Viral particles replicate and may spread to the dorsal root, into the dorsal horn of the spinal cord, and through peripheral sensory nerve fibers down to the level of the skin. Viral particles also may circulate in the blood. This reactivation is accompanied by inflammation of the skin, immune response, hemorrhage, and destruction of peripheral and central neurons and their fibers. Following such neural degeneration, distinct types of pathophysiological mechanisms involving both the central and peripheral nervous systems may give rise to the severe nerve pain associated with PHN.

While the rash associated with HZ typically heals within two to four weeks, the pain may persist for months or even years, and this PHN manifestation is the most common and debilitating complication of HZ. There is currently no consensus definition for PHN, but it has been suggested by the Centers for Disease Control and Prevention ("CDC") that PHN is best defined as pain lasting at least three months after resolution of the rash.

PHN is associated with significant loss of function and reduced quality of life, particularly in the elderly. It has a detrimental effect on all aspects of a patient's quality of life. The nature of PHN pain varies from mild to severe, constant, intermittent, or triggered by trivial stimuli. Approximately half of patients with PHN describe their pain as "horrible" or "excruciating," ranging in duration from a few minutes to constant on a daily or almost daily basis. The pain can disrupt sleep, mood, work, and activities of daily living, adversely impacting the

quality of life and leading to social withdrawal and depression. PHN is the number-one cause of intractable, debilitating pain in the elderly, and has been cited as the leading cause of suicide in chronic pain patients over the age of 70.

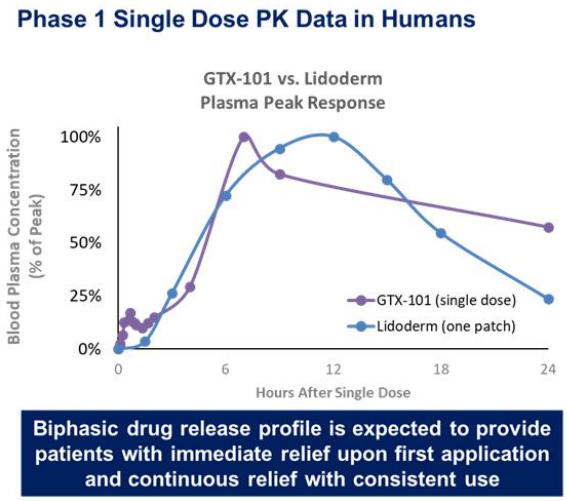
Current treatment of PHN most often consists of oral gabapentin (first line) and prescription lidocaine patches or antidepressants (second line), and refractory cases may be prescribed opioids to address persistent pain. Gabapentin and opioid abuse have continued to proliferate, and lidocaine patches are suboptimal for many reasons. An independent third-party market research firm we commissioned interviewed more than 250 physicians who regularly treat PHN patients, and found that approximately 40% of patients using lidocaine patches experience insufficient pain relief. Lidocaine patches are difficult to use, fall off, and look unsightly with possible skin sensitivity and irritation. Additionally, lidocaine patches can only be used for 12 hours on and then need to be removed for 12 hours before being reapplied. Prescription lidocaine patches are only approved for PHN, and the market is currently made up of both branded and generic offerings. It is estimated that PHN affects approximately 120,000 patients per year in the United States. According to a third-party report we commissioned, the total addressable market for GTX-101 could be as large as $2.5 billion, consisting of approximately $200 million for PHN pain and $2.3 billion for non-PHN pain indications.

GTX-101 R&D History and Clinical Trials Completed to Date

To date, we have conducted four Phase I trials in healthy volunteers to assess the PK, safety and tolerability of GTX-101 and to determine the plasma levels of bupivacaine HCl administered as a single dose in various concentrations between 30 mg (three sprays) and 2100 mg (twenty sprays).

These trials confirmed that bupivacaine delivered as a topical spray (GTX-101) is well absorbed through the skin, as demonstrated in the graph below, while very little is absorbed systemically.

In all four trials, the administration of GTX-101 to healthy volunteers was safe and well tolerated. In addition, no evidence of skin irritation was observed at the application site following the spray administrations. The data below is from two separate trials of GTX-101 and the Lidoderm patch superimposed on each other.



GTX-101 recent activities:

We believe that the PHN pain market will continue to grow, and non-opioid products like GTX-101 that can relieve PHN pain more quickly and in a sustained manner by means of a more efficient delivery system, will be an attractive therapy option for patients and physicians. GTX-101 is administered by spraying our proprietary bupivacaine formulation over the affected area, which we believe has the potential to provide several advantages over currently marketed products such as the lidocaine patch, including faster onset of action, sustained pain relief, possibly lower dosing requirements and improved dosing convenience, all which could lead to increased patient satisfaction and compliance.

The data from the single dose Phase 1 clinical trial for GTX-101 was submitted to the FDA's Division of Anesthesiology and feedback was received at a pre-IND meeting on April 18, 2018, that informed the design of pre-clinical toxicology studies and a clinical and regulatory pathway to approval under section 505(b)(2). We completed a minipig skin sensitivity study in the second calendar quarter of 2022, and we

initiated a single dose PK trial in healthy human volunteers in July 2022. Topline results from this single dose PK trial were reported on December 23, 2022 and the results met all primary outcome measures.

The median Tmax (the time of maximum concentration between 0 hour and 240 hours after study drug administration) of bupivacaine in plasma following GTX-101 single-dose topical applications ranged between 18 to 24 hours depending on dose, while the median Tmax following the subcutaneous injection of 10 mg of bupivacaine was only 23 minutes. This result suggests that bupivacaine delivered by GTX-101 remains in the skin for a long period of time, potentially inducing prolonged analgesic effect in the sprayed area. The exposure to bupivacaine based on Cmax (the maximum concentration occurring at Tmax between 0 hour and 240 hours after study drug administration) and AUC (the area under the concentration time curve, extrapolated to infinity) following GTX-101 topical application as a single-dose increased with increasing dose.

The systemic exposure to bupivacaine following a 200mg dose of GTX-101 was approximately 29-fold less than a single subcutaneous dose of 10mg of bupivacaine based on Cmax and approximately 6-fold less than a single subcutaneous dose of 10mg of bupivacaine based on AUC. We predict these lower blood levels will correspond to an increased safety margin for GTX-101 with regards to toxicity risk. Mean half-life (T half) following GTX-101 single-dose topical applications ranged between 24 to 37 hours depending on dose, suggesting a slow elimination and potentially long duration of effect, while mean Tmax following the subcutaneous injection of 10 mg of bupivacaine was only 8 hours.

There were only two adverse events judged as related to the study drug by the investigator for each of GTX-101 and the bupivacaine subcutaneous injection. Following GTX-101 topical application: headache (1 event = 3%) and numbness (1 event = 3%) at the sprayed area following bupivacaine subcutaneous injection: dizziness (1 event = 8%) and nausea (1 event = 8%).

The further development of GTX-101 has been deprioritized in favor of our focus on development of GTX-104. Pending additional funding for GTX-101 or the signing of a strategic partnership, we plan to follow this successful PK trial with a multiple ascending dose trial in 2023. Results from these non-clinical studies and clinical trials are required before the initiation of our Phase 2 program in PHN patients. It is also possible that we may out-license or sell our GTX-101 drug candidate.

Overall Commercialization Strategy

We have worldwide commercialization rights for all our pipeline drug candidates and plan to maximize the value of each asset. Currently, we have prioritized the development of GTX-104 and de-emphasized the development of GTX-102 and GTX-101. If we receive regulatory approval for GTX-104 in the US, we may look to out-license commercialization or consider self-commercialization including outsourcing sales to ensure efficient commercial management and maximize market penetration and financial returns. We may seek commercial partnerships to fully exploit the market potential of GTX-104 in territories outside the US. It is possible that we may out-license or sell GTX-102 and/or GTX-101 for the US and/or global markets.

Recent Developments

Announcement of compliance with the Nasdaq minimum bid price requirement

On July 24, 2023, we received written notice (the "Notification Letter") from The Nasdaq Stock Market LLC notifying us that we had regained compliance with the minimum bid price requirement set forth in Nasdaq Listing Rule 5550(a)(2) for continued listing on the Nasdaq Capital Market. The Notification Letter was sent following the implementation of a 1-for-6 reverse split of our Class A common shares (the "Reverse Stock Split"), which became effective on July 10, 2023.

Announcement of alignment with U.S. Food and Drug Administration

On July 5, 2023, we announced the alignment with the U.S. Food and Drug Administration on our GTX-104 pivotal Phase 3 safety trial protocol.

Reverse stock split

On June 29, 2023, our Board of Directors approved an amendment to our Articles of Incorporation to implement the Reverse Stock Split. On July 4, 2023, we filed Articles of Amendment to our Articles of Incorporation with the Registraire des entreprises du Québec, to implement the Reverse Stock Split. All applicable references in this MD&A to number of common shares, warrants and options, price per share and weighted average number of shares outstanding prior to the Reverse Stock Split have been adjusted to reflect the Reverse Stock Split, which was made effective on July 10, 2023.

Announcement of successful submission of pivotal GTX-104 Phase 3 safety study protocol with FDA and implementation of strategic realignment plan

On May 8, 2023, we announced the successful submission to the FDA of GTX-104's full protocol of our pivotal Phase 3 safety trial and implementation of a strategic realignment plan to maximize shareholder value. The realignment follows a comprehensive strategic review by Prashant Kohli, our recently appointed Chief Executive Officer, and the Board of Directors.

Key strategies being implemented are:

- Prioritizing resources to GTX-104. We submitted the full pivotal Phase 3 safety trial protocol for GTX-104 to the FDA with all supporting documentation. On July 5, 2023, we announced alignment with the FDA on our GTX-104 pivotal Phase 3 safety trial protocol. The first patient, first dose for the pivotal Phase 3 safety trial is expected in calendar Q4 2023.
- Strategic transformation of our operating model to an agile biopharma reflecting our complete focus on GTX-104. In alignment with our new operating model, we brought on a highly experienced new management team with deep subject matter knowledge and direct, hands-on clinical trial experience in aSAH.
- Significant extension of our cash runway expected to be sufficient to fund our operations through calendar Q2 2025, which we expect to facilitate the achievement of critical value inflection milestones, including a potential NDA filing for GTX-104.
- Evaluation of strategic alternatives to maximize value of de-prioritized pipeline assets, GTX-102 and GTX-101.

In connection with the transformation of our operating model, we have appointed the following industry experts to our senior management team:

- Dr. R. Loch Macdonald, MD, PhD, as Chief Medical Officer. A world-renowned practicing neurosurgeon-scientist and respected authority in SAH, Dr. Macdonald is the former founder of a clinical-stage biotechnology company focused on subarachnoid hemorrhage.
- Carrie D'Andrea, as VP Clinical Operations. Ms. D'Andrea is a highly experienced professional who has built and led the planning, implementation, management, and execution of global Phase 2 and Phase 3 trials for a drug candidate for subarachnoid hemorrhage.

•Amresh Kumar, PhD, as VP Program Management. Mr. Kumar is an experienced drug development, CMC, and program management expert. Mr. Kumar was the former product leader of GTX-104 while at Grace Therapeutics, Inc. ("Grace") (which was acquired by us).

As a result of this strategic realignment, we are, over time, discontinuing our operations in Canada, and have proceeded to lay off substantially all our workforce, which is expected to allow our new management team to begin to rebuild a leaner organization in the United States.

Announcement of appointment of Prashant Kohli as CEO

On April 4, 2023, we announced the appointment of Prashant Kohli as our new Chief Executive Officer, succeeding Jan D'Alvise. The parties mutually agreed to part ways, and in connection with her resignation as Chief Executive Officer, Ms. D'Alvise stepped down from her position on the Board of Directors.

Announcement of intention to proceed with Phase 3 clinical safety study for GTX-104 following FDA feedback

On April 4, 2023 we announced that we received a Type C written meeting response and clarifying feedback from the FDA on our proposed Phase 3 safety trial for GTX-104. The FDA provided additional comments on our development plan that, subject to submission of the final clinical protocol and FDA approval of same, will allow us to proceed with the initiation of a Phase 3 safety clinical trial in aneurysmal aSAH patients.

Basis of Presentation of the Financial Statements

Our condensed consolidated interim financial statements, which include the accounts of our wholly owned subsidiaries, Acasti Pharma U.S., and Acasti Innovations AG, have been prepared in accordance with U.S. GAAP and the rules and regulations of the SEC related to quarterly reports filed on Form 10-Q. All intercompany transactions and balances are eliminated on consolidation.

Our assets as of June 30, 2023, include cash and cash equivalents and short-term investments totaling $21.6 million and intangible assets and goodwill totaling $49.3 million. Our current liabilities total $2.0 million as at June 30, 2023 and are comprised primarily of amounts due to or accrued for creditors.

Comparative Financial Information for the Three months ended June 30, 2023 and 2022

			Three months ended
	June 30, 2023	June 30, 2022	Increase (Decrease)
	$	$	$
Net loss	(4,023)	(4,524)	(501)
Basic and diluted loss per share	(0.54)	(0.61)	0.07
Total assets	73,033	124,931	(51,898)
Working capital[1]	21,646	37,541	(15,895)
Total non-current liabilities	7,057	174	6,883
Total shareholders' equity	64,010	104,403	(40,393)

1 Working capital is calculated by subtracting current liabilities from current assets. Because there is no standard method endorsed by U.S. GAAP requirements, the results may not be comparable to similar measurements presented by other public companies.

Results of Operations for the Three months ended June 30, 2023 and 2022

			Three months ended
	June 30, 2023	June 30, 2022	Increase (Decrease)
	$	$	$
Operating expenses			
Research and development expenses, net of government assistance	1,095	2,590	(1,495)
General and administrative expenses	1,763	1,919	(156)
Sales and marketing expenses	111	221	(110)
Restructuring costs	1,485	—	1,485
Loss from operating activities	**(4,454)**	**(4,730)**	**(276)**
Foreign exchange gain (loss)	8	(78)	86
Change in fair value of warrant liabilities	—	10	(10)
Interest income and other expense	134	32	102
Income tax recovery	289	242	47
Net loss	**(4,023)**	**(4,524)**	**(501)**

Net Loss

The net loss of $4,023 or $0.54 per share for the three months ended June 30, 2023 decreased by $501 from the net loss of $4,524 or $0.61 per share for the three months ended June 30, 2022.

Research and development expenses

Research and development expenses consist primarily of:

- fees paid to external service providers such as contract research organizations ("CROs") and contract manufacturing organizations ("CMOs") related to clinical trials, including contractual obligations for clinical development, clinical sites, manufacturing and scale-up, and formulation of clinical drug supplies;
- fees paid to contract service providers related to drug discovery efforts including chemistry and biology services; and
- salaries and related expenses for research and development personnel, including expenses related to stock options.

We record research and development expenses as incurred.

Our research and development during the three months ended June 30, 2023, was focused primarily on our clinical development programs for our GTX-104 drug candidate. Research and development expenses during the three months ended June 30, 2022 were focused primarily on our clinical development programs GTX-104, GTX-102, and GTX-101 drug candidates, which were acquired in the Grace merger on August 27, 2021.

The following table summarizes our research and development expenses for the periods presented:

Research and development expenses

	June 30, 2023	June 30, 2022	Three months Increase (Decrease)
	$	$	$
Third-party contract research expenses:			
Clinical development programs:			
GTX-104	299	323	(24)
GTX-102	103	567	(464)
GTX-101	34	637	(603)
Other third-party contract research expenses	31	154	(123)
Professional fees	309	243	66
Other research and development costs	24	88	(64)
Government grants & tax credits	51	(190)	241
Total third-party research and development expenses [1]	851	1,822	(971)
Salaries and benefits	225	489	(264)
Research and development expense before stock-based compensation and depreciation	1,076	2,311	(1,235)
Stock-based compensation	2	158	(156)
Depreciation and write-off of equipment	17	121	(104)
Total	1,095	2,590	(1,495)

[1] Total third-party research and development expenses are calculated before salaries and benefits, depreciation, write-off of equipment and stock-based compensation. Because there is no standard method endorsed by U.S. GAAP, the results may not be comparable to similar measurements presented by other public companies.

Total third-party research and development expenses before salaries and benefits, depreciation, write-off of equipment and stock-based compensation expenses for the three months ended June 30, 2023, totaled $851 compared to $1,822 for the three months ended June 30, 2022. This decrease of $971 related mostly to the restructuring to align our organizational and management cost structure to prioritize resources to GTX-104 and reduce losses and cash flow.

Third-party contract research expenses related to GTX-104 amounted to $299 for the three months ended June 30, 2023, as our PK bridging study wound down. Third party contract research expenses related to GTX-102 amounted to $103 for the three months ended June 30, 2023, and are mostly related to the initiation of the PK bridging study and for clinical trial materials. Third party contract research expenses related to GTX-101 amounted to $34 for the three months ended June 30, 2023 were mostly related to the planning and initiation of the Phase 1 single dose study. We expect third-party contract research expenses related to GTX-102 and GTX-101 to continue to decrease as we shift our development priority to GTX-104. Other third-party contract research expenses of $31 for the three months ended June 30, 2023 decreased by $123, from $154, for the three months ended June 30, 2022, related to other third-party contract research expenses for non-clinical outside services.

Professional fees of $309 for the three months ended June 30, 2023, increased by $66 from $243 for the three months ended June 30, 2022, which was related to increased specialized clinical and regulatory consultants supporting our clinical program for GTX-104.

For the three months ended June 30, 2023, total third-party research and development expenses were increased by $51 respectively, related to government credit eligible research activities related to our clinical programs for GTX-104, GTX-102 and GTX-101.

Salaries and benefits of $225 for the three months ended June 30, 2023, decreased by $264 compared to $489 for the three months ended June 30, 2022. The decrease relates to a reduction in research and development headcount due to the restructuring as we prioritize resources to GTX-104.

General and administrative expenses

General and administrative expenses consist primarily of salaries and related benefits, including share-based compensation, related to our executive, finance, legal, and support functions, including professional fees for auditing, tax, consulting, rent and utilities and insurance.

General and administrative expenses

	Three months ended		
	June 30, 2023	June 30, 2022	Increase (Decrease)
	$	$	$
Salaries and benefits	342	532	(190)
Professional fees	945	603	342
Other	413	456	(43)
General and administrative expense before stock-based compensation and depreciation [1]	1,700	1,591	109
Stock-based compensation	60	282	(222)
Depreciation	3	46	(43)
Total	1,763	1,919	(156)

[1] General and administrative sub-total expenses are calculated before stock-based compensation and depreciation. Because there is no standard method endorsed by U.S. GAAP, the results may not be comparable to similar measurements presented by other public companies.

General and administrative expenses totaled $1,700 before stock-based compensation and depreciation expense for the three months ended June 30, 2023, an increase of $109 from $1,591 for the three months ended June 30, 2022. The increase was primarily a result of increase legal, tax, accounting and other professional fees. Stock-based compensation of $60 for the three months ended June 30, 2023, decreased by $222 compared to $282 for the three months ended June 30, 2022. The decrease relates to a reduction in general and administrative headcount due to our restructuring and reorganization of our management structure.

Sales and marketing expenses

Sales and marketing expenses consist primarily of salaries and benefits, including share-based compensation, related to our commercial functions.

Sales and marketing expenses

	Three months ended		
	June 30, 2023	June 30, 2022	Increase (Decrease)
	$	$	$
Salaries and benefits	15	182	(167)
Professional fees	20	5	15
Other	60	10	50
Sales and Marketing expenses before stock-based compensation[1]	95	197	(102)
Stock-based compensation	16	24	(8)
Total	111	221	(110)

[1] Sales and marketing sub-total expenses are calculated before stock-based compensation. Because there is no standard method endorsed by U.S. GAAP, the results may not be comparable to similar measurements presented by other public companies.

Sales and marketing expenses before stock-based compensation expense totaled $95 for the three months ended June 30, 2023 compared to $197 for the three months ended June 30, 2022. The decrease of $102, was mostly due to the reduction of headcount due to our restructuring and reorganization of our management structure.

Aggregate stock-based compensation expense decreased by $8 to $16 for the three months ended June 30, 2023 as compared to $24 for the three months ended June 30, 2022. This decrease was due to the reduction of headcount due to our restructuring and reorganization of our management structure.

Restructuring Costs

On May 8, 2023, we announced our decision to terminate a substantial amount of our workforce as part of a plan that intended to align our organizational and management cost structure to prioritize resources to GTX-104 and reduce losses to improve cash flow and extend available cash resources. We incurred $1,485 of cost primarily consisting of employee severance costs.

Interest income and other expense

Interest income was $134 and $32 for the three months ended June 30, 2023 and 2022, respectively, which related to interest earned on our cash, cash equivalents, and short-term investment balances. The increase in our interest income was due to higher interest rates earned on average balances of cash, cash equivalents and short-term investments.

Liquidity and Capital Resources

Share capital structure

Our authorized share capital consists of an unlimited number of Class A, Class B, Class C, Class D and Class E common shares, without par value. Issued and outstanding fully paid shares, stock options, and warrants, were as follows for the periods indicated (after giving effect to the Reverse Stock Split, which became effective on July 10, 2023):

	June 30, 2023 Number outstanding	March 31, 2023 Number outstanding
Class A common shares, voting, participating and without par value	7,435,533	7,435,533
Stock options granted and outstanding	473,178	740,957
May 2018 Canadian public offering of warrants exercisable at CAD$62.88 until May 9, 2023	—	137,370
December 2017 U.S. public offering of warrants exercisable at US$60.48 expired December 19, 2022	—	—
December 2017 U.S. public offering broker warrants exercisable at US$60.60 expired December 27, 2022	—	—
Total fully diluted shares	7,908,711	8,313,860

Cash flows and financial condition for the three months ended June 30, 2023 and 2022

Summary

We do not expect to generate revenue from product sales unless and until we successfully complete drug development and obtain regulatory approval, which we expect will take several years and is subject to significant uncertainty. To date, we have financed our operations primarily through public offerings and private placements of our common shares, warrants and convertible debt and with the proceeds from research tax credits. Until such time that we can generate significant revenue from drug product sales, if ever, we will require additional financing, which we expect to be sourced from a combination of public or private equity offerings or debt financings or other non-dilutive sources, which may include fees, milestone payments and royalties from collaborations with third parties.

As of June 30, 2023, cash and cash equivalents totaled $21,633, a decrease of $6,242 compared to cash and cash equivalents totaling $27,875 at March 31, 2023 primarily due to ongoing research and development activities, and funding the restructuring expense.

Net cash used in operating activities

Net cash used in operating activities for the three months ended June 30, 2023 was $6,240, compared to $5,426 for the three months ended June 30, 2022, an increase of $814. Cash used in operating activities during the three months ended June 30, 2023 primarily related to our net loss of $4,023, adjusted for non-cash items such as stock-based compensation of $78, income tax recovery of $289 and changes in our operating assets and liabilities of $2,026. Cash used in operating activities during the three months ended June 30, 2022 primarily related to our net loss of $4,524, adjusted for non-cash items such as change in depreciation of $167, stock-based compensation of $464, income tax recovery $242, and changes in our operating assets and liabilities of $1,271.

Net cash used in investing activities

For the three months ended June 30, 2023, we had no investing activities compared to cash generated from investing activities of $13,258 for the three months ended June 30, 2022. Cash generated was a function of an increase in proceeds from maturity of short-term investments.

Net cash used in financing activities

Net cash provided by financing activities for the three months ended June 30, 2023, totaled nil compared to cash generated of $195 during the three months ended June 30, 2022 due to proceeds from the sale of common shares under our ATM program. The decrease in net cash provided by financing activities was primarily due to our reduced utilization of our ATM program.

At-the-Market ("ATM") program

On June 29, 2020, we entered into an amended and restated sales agreement (the "Sales Agreement") with B. Riley, Oppenheimer & Co. Inc. and H.C. Wainwright & Co., LLC (collectively, the "Agents"). Under the terms of the Sales Agreement, which had a three-year term, we could issue and sell from time-to-time common shares having an aggregate offering price of up to $75,000,000 through the Agents. Subject to the terms and conditions of the Sales Agreement, the Agents would use their commercially reasonable efforts to sell the common shares from time to time, based upon our instructions. We had no obligation to sell any of the common shares and could, at any time, suspend sales under the Sales Agreement. We and the Agents could terminate the Sales Agreement in accordance with its terms. Under the terms of the Sales Agreement, we provided the Agents with customary indemnification rights and the Agents were entitled to compensation at a commission rate equal to 3.0% of the gross proceeds from each sale of the common shares. The Sales Agreement expired pursuant to its terms on June 29, 2023. We intend to examine our financing strategies on a go-forward basis and may consider entering into a new ATM program in the future.

On November 10, 2021, we filed a prospectus supplement relating to our ATM program to restore available capacity to $75,000,000, with B. Riley, Oppenheimer & Co. Inc. and H.C. Wainwright & Co., LLC continuing to act as Agents. Under the terms of the Sales Agreement and the prospectus supplement, we may issue and sell from time-to-time common shares having an aggregate offering price of up to $75,000,000 through the Agents. The common shares will be distributed at market prices prevailing at the time of the sale and, as a result, prices may vary between purchasers and during the period of distribution. The volume and timing of sales under the ATM program, if any, will be determined at the sole discretion of our board of directors and management.

During the three months ended June 30, 2023, there were no common shares sold under the ATM program. During the three months ended June 30, 2022, 34,335 common shares were sold for total net proceeds of approximately $195 with commissions, legal expenses and costs related to the share sale amounting to $6. The common shares were sold at the prevailing market prices, which resulted in an average price of approximately $5.82 per share.

The Sales Agreement expired June 29, 2023 and the Corporation plans to revisit the renewal of a facility in the coming months.

Financial position

The following table details the significant changes to our consolidated balance sheets as of June 30, 2023, compared to the prior fiscal year end at March 31, 2023:

Accounts	Increase (Decrease) $	Comments
Cash and cash equivalents	(6,242)	See cash flow statement
Receivables	35	Timing of reimbursement of sales taxes
Prepaid expenses	529	Renewal of insurance contract and other prepaid expenses (advances to US vendors)
Right of use asset	(392)	Adjustment to the net present value of lease contract for Sherbrooke due to lease modification
Equipment	(20)	Depreciation of equipment and write off of equipment from restructuring
Trade and other payables	(1,450)	Timing of payments net of accruals
Lease liability	(405)	Adjustment to the net present value of lease contract for Sherbrooke due to lease modification
Deferred tax liability	(290)	Related to recovery expense

See the consolidated statements of shareholders' equity in our financial statements for details of changes to our equity accounts during the three months ended June 30, 2023 and 2022.

Treasury Operations

Our treasury policy is to invest cash that is not required immediately into instruments with an investment strategy based on capital preservation. Cash equivalents and marketable securities are primarily in guaranteed investment certificates, term deposits and high-interest savings accounts, which are issued and held with Canadian chartered banks, highly rated promissory notes issued by government bodies and commercial paper. We hold cash denominated in both U.S. and Canadian dollars. Funds received in U.S. dollars from equity financings are invested as per our treasury policy in U.S. dollar investments and converted to Canadian dollars as appropriate to fulfill operational requirements and funding.

Intangible Assets

On August 27, 2021, we completed the Grace merger.

In connection with the share-for-share noncash transaction, Grace was merged with a new wholly owned subsidiary of Acasti and became a subsidiary of Acasti. As a result, we acquired Grace’s entire therapeutic pipeline consisting of three unique clinical stage and multiple pre-clinical stage assets supported by an intellectual property portfolio consisting of various granted and pending patents in various jurisdictions worldwide. Under the terms of the acquisition, each issued and outstanding share of Grace common stock was automatically converted into the right to receive Acasti common shares equal to the equity exchange ratio set forth in the merger agreement.

Intangible assets of $69,810 relate to the value of in-process research and development (“IPR&D”), related to Grace’s therapeutic pipeline, consisting of three unique clinical stage programs/assets supported by intellectual property, the value of which has been attributed as follows:

	$ GTX-104	$ GTX-102	$ GTX-101	$ Total
Intangible assets – in-process research and development				
Balance, April 1, 2022	27,595	31,908	10,307	69,810
Impairment	—	(22,712)	(5,970)	(28,682)
Balance, March 31, 2023	**27,595**	**9,196**	**4,337**	**41,128**

	$ GTX-104	$ GTX-102	$ GTX-101	$ Total
Intangible assets – in-process research and development				
Balance, April 1, 2023	27,595	9,196	4,337	41,128
Impairment	—	—	—	—
Balance, June 30, 2023	**27,595**	**9,196**	**4,337**	**41,128**

In April 2023, we announced the strategic decision to prioritize development of GTX-104 with a goal to advance to commercialization, while conserving resources as much as possible to complete development efficiently. We estimate that the deferral of the GTX-102 and GTX-101 clinical programs could be at least three years given the timeline to complete the development and potential commercial launch

of GTX-104. Further development of GTX-102 and GTX-101 will occur at such time as we obtain additional funding or enter into strategic partnerships for license or sale with third parties. The decision to defer further development triggered a comprehensive impairment review of our intangible assets in March 2023. Given the extended timeline, we increased the discount rates used to value the assets in order to recognize additional risks related to prioritizing one asset over the others, financing the projects given limited available resources and the need to preserve cash to advance GTX-104 as far as possible, potential competitor advances that could arise over three years, and the general market depression affecting small cap development companies like us and the prohibitively high dilution and expense of available funding in the capital markets. Increasing the discount rates significantly reduced the discounted cash flow values for each of the programs deferred. Accordingly, an impairment of intangible assets of $28,682 resulted in the year ended March 31, 2023. In addition, an impairment of $4,826 of goodwill resulted in the year ended March 31, 2023. We determined there was no triggering event in the for the three months ended June 30, 2023 that would have required us to perform a quantitative impairment test.

Contractual Obligations and Commitments

Our contractual obligations and commitments include trade payables, operating lease obligations, CMO and CRO agreements, and the RKO supply agreement, as described below.

Research and development contracts and contract research organizations agreements:

We utilize CMOs, for the development and production of clinical materials and CROs to perform services related to our clinical trials. Pursuant to the agreements with CMOs and CROs, we have either the right to terminate the agreements without penalties or under certain penalty conditions.

Raw krill oil supply contract

On October 25, 2019, we signed a supply agreement with Aker Biomarine Antarctic. (“Aker”) to purchase raw krill oil product for a committed volume of commercial starting material for CaPre, one of our former drug candidates, for a total fixed value of $3.1 million. As of June 30, 2023, the remaining balance of the commitment with Aker amounts to $2.8 million. During the second calendar quarter of 2022, Aker informed us that Aker believed it had satisfied the terms of the supply agreement as to their obligation to deliver the remaining balance of raw krill oil product, and that we were therefore required to accept the remaining product commitment and to pay Aker the $2.8 million balance. We disagree with Aker’s position and believe that Aker is not entitled to further payment under the supply agreement. Accordingly, no liability has been recorded. The dispute was unresolved as of June 30, 2023 and remains unresolved. There is uncertainty as to whether we will be required to make further payment to Aker in connection with the dispute. Additionally, in the event we are required to accept delivery from Aker of the remaining balance of raw krill oil product under the supply agreement, there is uncertainty as to whether we can recover value from the product, which may result in us incurring a loss on the supply agreement in the near term.

Contingencies

We evaluate contingencies on an ongoing basis and establish loss provisions for matters in which losses are probable and the amount of the loss can be reasonably estimated.

Use of Estimates and Measurement of Uncertainty

The preparation of these financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates are based on management’s best knowledge of current events and actions that management may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Estimates and assumptions include the measurement of stock-based compensation, accruals for research and development contracts and contract organizations agreements, and valuation of intangibles and goodwill. Estimates and assumptions are also involved in measuring the accrual of services rendered with respect to research and development expenditures at each reporting date, and determining which research and development expenses qualify for research and development tax credits and in what amounts. We recognize tax credits once it has reasonable assurance that they will be realized.

Critical Accounting Policies

During the three months ended June 30, 2023, there were no material changes to our critical accounting policies from those described in our Annual Report for the year ended March 31, 2023.

Future Accounting Changes

We have considered recent accounting pronouncements and concluded that they are either not applicable to our business or that the effect is not expected to be material to our consolidated financial statements as a result of future adoption.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

A smaller reporting company is not required to provide the information required by this Item.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

As of the end of the period covered by this quarterly report, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures within the meaning of Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based upon this evaluation, our management has concluded that, as of June 30, 2023, our existing disclosure controls and procedures were effective. It should be noted that while our Chief Executive Officer and Chief Financial Officer believe that our disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect the disclosure controls and procedures to be capable of preventing all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, but not absolute, assurance that the objectives of the control system are met.

Changes in Internal Control over Financial Reporting

No changes were made to our internal controls over financial reporting that occurred during the quarter ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of business, we are at times subject to various legal proceedings and disputes. We assess our liabilities and contingencies in connection with outstanding legal proceedings utilizing the latest information available. Where it is probable that we will incur a loss and the amount of the loss can be reasonably estimated, we record a liability in our consolidated financial statements. These legal reserves may be increased or decreased to reflect any relevant developments on a quarterly basis. Where a loss is not probable or the amount of loss is not estimable, we do not accrue legal reserves. While the outcome of legal proceedings is inherently uncertain, based on information currently available and available insurance coverage, our management believes that it has established appropriate legal reserves. Any incremental liabilities arising from pending legal proceedings are not expected to have a material adverse effect on our financial position, results of operations, or cash flows. However, it is possible that the ultimate resolution of these matters, if unfavorable, may be material to our financial position, results of operations, or cash flows. We are not currently a party to any legal proceedings that, in the opinion of management, are likely to have a material adverse effect on our business.

Item 1A. Risk Factors

There have been no material changes from the risk factors disclosed in our Annual Report.

m 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

m 3. Defaults upon Senior Securities

None.

m 4. Mine Safety Disclosures

Not applicable.

m 5. Other Information

None.

m 6. Exhibits

Exhibit No.	Description

3.1	Articles of Incorporation (incorporated by reference to Exhibit 4.1 from Form S-8 (File No. 333-191383) filed with the Commission on September 25, 2013)
3.2	Articles of Amendment (incorporated by reference to Exhibit 3.1 from Form 8-K (file No. 001-35776) filed with the Commission on August 27, 2021)
3.3	Articles of Amendment of Acasti Pharma Inc., filed with the *Registraire des entreprises du Québec* on July 4, 2023 (English translation) (incorporated by reference to Exhibit 3.1 from Form 8-K (File No. 001-35776) filed with the Commission on July 7, 2023)
3.4*	Amended and Restated General By-Law
3.5	Advance Notice bylaw No. 2013-1 (incorporated by reference to Exhibit 4.3 from Form S-8 (File No. 333-191383) filed with the Commission on September 25, 2013)
10.1*	Form of Stock Option Agreement for Employees under the Acasti Pharma Inc. Stock Option Plan
10.2*	Form of Stock Option Agreement for Non-Employee Directors under the Acasti Pharma Stock Option Plan
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934
32.1*	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed or furnished herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: August 11, 2023

ACASTI PHARMA INC.

By: /s/ Prashant Kohl
Name: Prashant Kohl
Title: Chief Executive Officer
(Principal Executive Officer)

By: /s/ Brian Ford
Name: Brian Ford
Title: Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 3.4

GENERAL BY-LAW 2020-1

OF

ACASTI PHARMA INC.

(the “Corporation”)

TABLE OF CONTENTS

1 - DEFINITIONS

1.1 Definitions

In this By-law, and all other By-laws of the Corporation, unless the context indicates otherwise:

a) “Act” means the *Business Corporations Act* (Quebec), or any statute which may be substituted therefor, including the regulations made thereunder as amended from time to time;

b) “Articles” shall mean the articles of the Corporation and includes any amendments thereto;

c) “Board” means the board of directors of the Corporation;

d) “By-laws” means the administrative By-laws of the Corporation, as well as all other administrative by-laws of the Corporation in force from time to time, including those referred to in section 726 of the Act, and any amendments which may be made to such By-laws from time to time;

e) “Director” means a member of the Board;

f) “Person” includes an individual, a sole proprietorship, a partnership, an association, a labour organization, an organization, a trust, a body corporate and all individuals acting as a trustee, executor, curator or as any other legal representative;

g) “Reporting Issuer” means a reporting issuer as defined in the Act; and

h) “Shareholders Meeting” means an annual shareholders meeting or a special meeting of shareholders.

1.2 Interpretation

a) words importing the singular number also include the plural and vice-versa; words importing the masculine gender include the feminine and vice-versa;

b) the headings used in this By-law are for ease of reference only and do not form part of it;

c) all words used in this By-law and defined in the Act shall have the meanings given to such words in the Act or in the related parts thereof;

d) this By-law is adopted pursuant to the Act, and is subject to, and must be read in conjunction with the Act. In the event of an inconsistency between a provision of this By-law and a provision of the Act, the latter shall prevail.

1.3 Execution in Counterpart, by Facsimile and by Electronic Signature

Subject to the Act, any notice, resolution, requisition, statement or other document required or permitted to be executed for the purposes of the Act, may be signed by way of electronic signature,

by way of a facsimile signature or by way of signing several similar documents by one or more Persons, and those documents, when duly signed by all Persons required or permitted to sign, as appropriate, shall constitute a single document for the purposes of the Act.

2 - GENERAL BUSINESS

2.1 Head Office

The head office of the Corporation must be permanently located in Quebec. The Corporation may relocate its head office in accordance with the Act.

2.2 Establishment

In addition to its head office, the Corporation may establish and maintain other establishments, offices, places of business and branches both within and outside Quebec, as the Board may determine from time to time.

2.3 Seal

The Corporation may have a seal, which shall be adopted and may be changed by the Board. The absence of a seal on a document of the Corporation does not render the document invalid.

2.4 Fiscal Year

The fiscal year end of the Corporation shall be March 31 or be as determined from time to time by the Board.

2.5 Execution of Instruments

Deeds, transfers, assignments, contracts, obligations, certificates and other instruments shall be signed on behalf of the Corporation by any Director or officer of the Corporation. In addition, the Board may from time to time direct the manner in which, and the Person or Persons by whom, any particular instrument or class of instruments may or shall be signed.

Notwithstanding the foregoing, the secretary or any other officer or any Director may sign certificates and similar instruments (other than share certificates) on the Corporation’s behalf with respect to any factual matters relating to the Corporation’s business and affairs, including certificates verifying copies of the Articles, By-laws, resolutions and minutes of meetings of the Corporation.

2.6 Banking Arrangements

The banking business of the Corporation, or any part or division of the Corporation, shall be transacted with such bank, trust company or other firm or body corporate as the Board may designate, appoint or authorize from time to time and all such banking business, or any part thereof, shall be transacted on the Corporation’s behalf by such one or more officers or other

Persons as the Board may designate, direct or authorize from time to time and to the extent thereby provided.

2.7 Voting Rights in Other Bodies Corporate

Except as otherwise provided by the Board, any Director or officer has the full power to represent the Corporation, and more particularly to vote all of the shares or other securities carrying voting rights of any other entity held from time to time by the Corporation, at any and all meetings of shareholders, bondholders, debentureholders or holders of other securities (as the case may be) of such other entity and exercise all other rights attached to the said shares or securities as if he were the owner thereof. The Board may, from time to time, appoint any other Person for the same purpose.

3 - DIRECTORS

3.1 Duties and Powers

The Board exercises all the powers necessary to manage or supervise the management of the business and affairs of the Corporation. Subject to the Act, the Board shall exercise its powers by or pursuant to a resolution passed at a meeting of the Board at which a quorum is present or approved in writing by all Directors in office.

Without limiting the foregoing, the Board may, on behalf of the Corporation:

a) borrow money;

b) issue, reissue, sell or hypothecate its debt obligations;

c) enter into a suretyship to secure performance of an obligation of any Person; and

d) hypothecate all or any of its property, owned or subsequently acquired, to secure any obligation.

3.2 Delegation

Subject to the Act, the Articles and any By-laws, the Board may from time to time delegate to a Director, a committee of the Board or an officer or such other person or persons so designated by the Board all or any of the powers conferred on the Board by the Act to such extent and in such manner as the Board shall determine at the time of each such delegation.

3.3 Qualifications of Directors

Any natural person may be a Director of the Corporation unless such a person is less than eighteen (18) years of age, is under guardianship or curatorship, is of unsound mind and has been so found by a court in Canada or elsewhere, is a person for whom the court prohibits the exercise of this function, or has the status of bankrupt. A Director is not required to hold shares of the Corporation.

3.4 Number of Directors

The Board of Directors of the Corporation shall be made up of a minimum and a maximum number of Directors as indicated in the Articles of the Corporation as amended from time to time. The exact number of Directors shall be established from time to time by resolution of the Board.

3.5 Quorum

A majority of the Directors in office constitutes a quorum at any meeting of the Board. In the absence of a quorum within the first fifteen (15) minutes following the start of the meeting, the Directors may only deliberate on the meeting's adjournment. A quorum of Directors may exercise all the powers of the Board despite any vacancy on the Board.

3.6 Election and Term

Directors shall be elected by the shareholders at the first Shareholders Meeting and at each subsequent annual meeting at which an election of Directors is required, by an ordinary resolution adopted by a majority of the votes cast by shareholders able to vote on such resolution, and shall hold office until the next annual Shareholders Meeting or, if elected for an expressly stated term, for a term expiring no later than three (3) years following the election. The election need not be by ballot unless a ballot is demanded by any shareholder or required by the chairperson in accordance with section 7.19. If an election of Directors is not held at an annual Shareholders Meeting at which such election is required, the incumbent Directors shall continue in office until their resignation, replacement or removal.

If shareholders holding a certain class or series of shares have an exclusive right to elect one or more Directors, such number of Directors shall be elected by the majority of votes cast by the holders of such class or series of shares.

If permitted by the articles, the Directors may appoint one or more additional Directors to hold office for a term expiring not later than the close of the next annual Shareholders Meeting, provided the total number of Directors so appointed does not exceed one-third (1/3) of the number of Directors elected at the annual Meeting of Shareholders preceding their appointment.

3.7 Removal of Directors

Subject to the Act, the shareholders may, by ordinary resolution passed by a majority of votes cast at a special Shareholders Meeting duly called for that purpose, remove any Director or Directors. If holders of any class or series of shares have an exclusive right to elect one or more Directors, a Director so elected may only be removed by ordinary resolution of such holders.

A Director whose removal is to be proposed at a Shareholders Meeting must be informed of the time and place of the meeting within the same delays as those prescribed for the calling of such meeting. Such Director may attend the meeting and be heard or, if not in attendance, may explain, in a written statement read by the person presiding over the meeting or made available to the shareholders before or at the meeting, why he opposes the resolution proposing his removal.

Any vacancy created by the removal of a Director may be filled by a resolution of the shareholders at the Shareholders Meeting at which the Director is removed or, if it is not, at a subsequent meeting of the Board. If the holders of any class or series of shares have an exclusive right to elect one or more Directors and a vacancy occurs among these Directors, the vacancy may be filled by the holders of that class or series of shares by ordinary resolution at the Shareholders Meeting at which the Director is removed or, if it is not, by the remaining Directors elected by the holders of that class or series of shares, if there are such remaining Directors.

3.8 Cessation of Office

A Director ceases to hold office when he dies, resigns, is removed, becomes disqualified from holding office or otherwise no longer meets the requirements to hold office as specified by the Act.

3.9 Resignation

A Director may resign from office by delivering or sending a written notice to the Corporation and such resignation becomes effective at the time the Director's written resignation is received by the Corporation or at the time specified in the notice, whichever is later.

3.10 Vacancies

Subject to the Act or to the Articles, a quorum of Directors may fill a vacancy on the Board.

If there is no quorum of Directors, or if there has been a failure to elect the number or minimum number of Directors required by the Articles, the Directors then in office must without delay call a special Shareholders Meeting to fill the vacancies on the Board. If the Directors refuse or fail to call a meeting or if there are no Directors then in office, the meeting may be called by any shareholder.

A Director appointed or elected to fill a vacancy holds office for the unexpired term of his predecessor and remains in office until his successor is elected or nominated.

3.11 Meetings by Telephone, Electronic or other Communication Facility

A Director may participate in a meeting of the Board or of a committee of the Board by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. A Director who participates in such meeting by such means is deemed to be present at that meeting.

3.12 Attendance

In addition to the Directors having to attend meetings of the Board, other Persons may also attend as needed, with the authorization of the chairperson of the meeting or the majority of the Directors present at that meeting.

3.13 Place of Meetings

Meetings of the Board are held at the registered office of the Corporation or at any other place within or outside of Quebec.

3.14 Calling of Meetings

Meetings of the Board shall be held from time to time at such place, on such day and at such time as the Board, the chairperson of the Board, the president, the secretary or any two Directors may determine. Meetings are called by the chairperson of the Board, the president or two Directors or

by the secretary upon being asked to call such a meeting by the chairperson of the Board, the president or two Directors.

3.15 Notice of Meetings

The notice stating the time and place of the meeting and specifying any matter to be dealt with relating to powers which the Board may not delegate, shall be given to each Director at least forty-eight (48) hours before the meeting is to occur. In the event of an emergency, such time limit shall be shortened to twenty-four (24) hours. This notice does not have to be given in writing.

Any Director may waive a notice of a meeting of the Board. Attendance of a Director at a meeting of the Board constitutes a waiver of notice of such meeting unless the Director attends such meeting for the sole purpose of objecting to the holding of the meeting on the grounds that it was not duly called.

3.16 First Meeting of New Board

Provided a quorum of Directors is present, each newly elected Board may without notice hold its first meeting following the Shareholders Meeting at which such Board is elected.

3.17 Adjourned Meeting

Whether or not there is quorum, any meeting of the Board may be adjourned from time to time by a vote of a majority of the Directors who are present and subsequently resumed without the requirement that a new notice be given, if the time and place of the adjourned meeting is announced at the same time as the adjournment.

At the adjourned meeting, the Board may validly transact business in accordance with the terms established at the time of the adjournment provided that there is a quorum. The Directors who constituted a quorum at the original meeting do not have to constitute the quorum at the adjourned meeting. If there is no quorum at the adjourned meeting, the meeting is deemed to have ended immediately after the adjournment.

3.18 Votes to Govern

Subject to the Act, at all meetings of the Board, any question shall be decided by a majority of the votes cast on the question and, in the case of an equality of votes, the chairperson of the meeting shall not be entitled to a second or casting vote. Any question at a meeting of the Board shall be decided by a show of hands unless a ballot is required or demanded.

3.19 Dissent

A Director who is present at a meeting of the Board or a committee of the Board is deemed to have consented to any resolution passed at the meeting unless:

a) the Director’s dissent has been entered in the minutes;

b) the Director sends a written dissent to the secretary of the meeting before the meeting is adjourned; or

c) the Director delivers a written dissent to the chairperson of the Board, sends it to the chairperson by any means providing proof of the date of receipt or delivers it to the head office of the Corporation immediately after the meeting is adjourned.

A Director is not entitled to dissent after voting for or consenting to a resolution.

A Director who was not present at a meeting at which a resolution was passed is deemed to have consented to the resolution unless he delivers a written dissent to the chairperson of the Board, sends it to the chairperson of the Board by any means providing proof of the date of receipt or delivers it to the head office of the Corporation within seven (7) days after becoming aware of the resolution.

3.20 Resolution in Writing

A resolution in writing, signed by all the Directors entitled to vote thereon is as valid as if it had been passed at a meeting of the Board or, as the case may be, of a committee of the Board. A copy of the resolution must be kept with the minutes of the meetings and the resolutions of the Board and its committees.

3.21 Chairperson and Secretary

The chairperson of the Board or, in the chairperson's absence, the president or, in the president's absence, a vice-president, shall be chairperson of any meeting of the Board. If none of these officers are present, the Directors present shall choose one of their number to be chairperson. The secretary of the Corporation shall act as secretary at any meeting of the Board and, if the secretary of the Corporation is absent, the chairperson of the meeting shall appoint a Person, who need not be a Director, to act as secretary of the meeting.

3.22 Remuneration and Expenses

The Directors shall be paid such remuneration for their services as Directors as the Board may from time to time authorize. In addition, the Board may authorize, by resolution, a special remuneration to a Director who executes specific or additional duties on behalf of the Corporation. The Directors shall also be entitled to be paid in respect of travelling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof or in otherwise serving the Corporation. Nothing herein contained shall preclude any Director from serving the Corporation in any other capacity and receiving remuneration therefor.

3.23 Duty of Loyalty and Conflict of Interest

Subject to the Act, the Directors are bound by the same obligations as are imposed by the *Civil Code of Quebec* (Quebec) on any Director of a legal person. Consequently, in the exercise of their functions, the Directors are duty-bound toward the Corporation to act with prudence and diligence, honesty and loyalty and in the interest of the Corporation.

In particular, but without limiting the generality of the foregoing:

a) a Director may not mingle the property of the Corporation with his own property nor may he use for his own profit or that of a third Person any property of the

Corporation or any information he obtains by reason of his duties, unless he is expressly authorized to do so by the shareholders of the Corporation;

b) unless he has obtained the express consent of the Board, a Director must keep confidential the deliberations of the Board, any internal document and any other information to which he has access in the performance of his duties which is not publicly known and which has not been publicly disclosed by the Corporation;

c) a Director shall avoid placing himself in any situation where his personal interests would be in conflict with his obligations as a Director of the Corporation;

d) a director must disclose to the Corporation any interest he has in a business or association that may place him in a situation of conflict of interest and of any right he may set up against it, indicating their nature and value, where applicable.

3.24 Contracts or Transactions - Disclosure of Interest

A Director must disclose the nature and value of any interest he has in a contract or transaction to which the Corporation is a party. “Interest” means any financial stake in a contract or transaction that may reasonably be considered likely to influence decision-making. Furthermore, a proposed contract or a proposed transaction, including related negotiations, is considered a contract or transaction.

A Director must also disclose any contract or transaction to which the Corporation and any of the following are a party:

a) an associate of the Director or officer;

b) a group of which the Director or officer is a Director or officer; or.

c) a group in which the Director or officer or an associate of the Director or officer has an interest.

The Director satisfies the requirement if he discloses, in a case specified in subparagraph b) above, the Directorship or office held within the group or, in a case specified in subparagraph c) above, the nature and value of the interest he or his associate has in the group.

Unless it is recorded in the minutes of the first meeting of the Board at which the contract or transaction is discussed, the disclosure of an interest, contract or transaction must be made in writing to the Board as soon as the Director becomes aware of the interest, contract or transaction.

The disclosure must be made even in the case of a contract or transaction that does not require approval by the Board.

3.25 Contracts or Transactions - Votes

No Director may vote on a resolution to approve, amend or terminate a contract or transaction described in section 3.24 or be present during deliberations concerning the approval, amendment or termination of such a contract or transaction, unless the contract or transaction:

a) relates primarily to the remuneration of the Director or an associate of the Director as a Director of the Corporation or an affiliate of the Corporation;

b) relates primarily to the remuneration of the Director or an associate of the Director as an officer, employee or mandatary of the Corporation or an affiliate of the Corporation, if the Corporation is not a Reporting Issuer;

c) is for indemnity or liability insurance; or

d) is with an affiliate of the Corporation, and the sole interest of the Director is as a Director or officer of the affiliate.

If no quorum exists for the purpose of voting on a resolution to approve a contract or transaction only because a Director is not permitted to be present during deliberations, the other Directors present are deemed to constitute a quorum for the purpose of voting on the resolution.

If all the Directors are required to abstain from voting, the contract or transaction may be approved solely by the shareholders entitled to vote, by ordinary resolution. The disclosure required by section 3.24 must be made to the shareholders in a sufficiently clear manner before the contract or transaction is approved.

4 - COMMITTEES

4.1 Committees of the Board

The Board may, by resolution, create one or more committees comprised of Directors and, subject to the limitations prescribed by the Act, from time to time set the mandate and the number of Directors of any such committee.

4.2 Procedure

Subject to the Act and unless otherwise determined by a resolution of the Board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairperson and to regulate its procedure. Each committee must provide the Board with a report concerning its activities if the Board makes such a request. The Board may cancel or modify any decision made by the committee.

5 - OFFICERS

5.1 Appointment of Officers

The Board may appoint any officers and any other mandataries as it deems appropriate and determine their titles, functions, powers, employment conditions and remuneration. An officer may but need not be a Director or a shareholder and any person may hold more than one office.

The Board may, in accordance with this By-law and subject to the Act, delegate to such officers powers to manage, or supervise the management of, the business and affairs of the Corporation.

5.2 Agents and Attorneys

The Board shall have the power from time to time to appoint agents or attorneys for the Corporation in or out of the Province of Quebec with such powers of management or otherwise (including the power to sub-delegate) as the Board may determine.

5.3 Disclosure of Interest

The officers are mandataries of the Corporation. In this capacity, in the exercise of their functions, the officers are bound, among other things, toward the Corporation to act with prudence and diligence, honesty and loyalty and in the interest of the Corporation.

An officer must disclose the nature and value of any interest he h s in a contract or transaction to which the Corporation is a party, in the same way that a Director must disclose such an interest pursuant to section 3.24. In the case of an officer who is not a Director, disclosure must be made as soon as:

a) the officer becomes an officer;

b) the officer becomes aware that the contract or transaction is to be discussed or has been discussed at a meeting of the Board; or

c) the officer or the officer's associate acquires an interest in the contract or transaction, if it was entered into earlier.

The disclosure must be made even in the case of a contract or transaction that does not require approval by the Board.

5.4 End of Mandate

An officer may resign at any time. The resignation of an officer takes effect on the date the Corporation receives the written notice he gives or on the later date indicated therein.

The Board may, at its own discretion, remove an officer of the Corporation at all times and the reason for the removal is not required to be given.

6 - PROTECTION OF DIRECTORS AND OFFICERS

6.1 Indemnity of Directors and Officers

Subject to the following, the Corporation must indemnify a Director or officer of the Corporation, a former Director or officer of the Corporation, a mandatary, any other person who acts or acted at the Corporation's request as a Director or officer of another group, as well as their heirs, legatees, liquidators, assignees, authorized representatives or beneficiaries, against all costs, charges and expenses reasonably incurred in the exercise of their functions, including an amount paid to settle an action or satisfy a judgment, or arising from any investigative or other proceeding in which the person is involved if:

a) the person acted with honesty and loyalty in the interest of the Corporation or, as the case may be, in the interest of the other group for which the person acted as Director or officer or in a similar capacity at the Corporation's request; and

b) in the case of a proceeding that is enforced by a monetary penalty, the person had reasonable grounds for believing that his conduct was lawful.

The Corporation must also advance moneys to such a person for the costs, charges and expenses of a proceeding referred to in the above paragraph.

However, in the event that a court or any other competent authority judges that the conditions set out in subparagraphs a) and b) above are not fulfilled or that the person committed an intentional or gross fault, the Corporation may not indemnify the person and the person must repay to the Corporation any moneys advanced.

The Corporation may, with the approval of the court, in respect of an action by or on behalf of the Corporation or other group referred to above, against a person referred to above, advance the necessary monies to the person or indemnify the person against all costs, charges and expenses reasonably incurred by the person in connection with the action, if the person fulfills the conditions set out above.

The provisions of this section 6.1 shall not, to the extent permitted by law, operate to affect or otherwise restrict the scope of any indemnification contractually agreed by or in favour of the Corporation or otherwise applicable under previous provisions of the law or any by-law of the Corporation of which a Director or an officer may avail himself.

6.2 Insurance

The Corporation may purchase and maintain insurance for the benefit of its Directors, officers and other mandataries against any liability they may incur as such or in their capacity as Directors, officers or mandataries of another group, if they act or acted in that capacity at the Corporation's request.

7 - MEETINGS OF SHAREHOLDERS

7.1 General Business

The Corporation must hold an annual shareholders meeting; if necessary, the Corporation may also hold one or more special shareholder meetings.

7.2 Annual Meetings

An annual Shareholders Meeting entitled to vote at such a meeting must be held not later than eighteen (18) months after the Corporation is constituted and, subsequently, not later than fifteen (15) months after the last preceding annual shareholders meeting, for the purpose of:

a) considering the financial statements of the Corporation for the fiscal year ending within six (6) months preceding the date of such meeting and the auditor's report thereon, if any;

b) considering any other financial information presentation of which is required by the Articles or the By-laws;

c) electing Directors;

d) appointing the auditor; and

e) deliberating with respect to all other matters which may be presented at the meeting.

The Board calls the annual Shareholders Meeting. Otherwise, the meeting may be called by the shareholders in accordance with the Act or with section 7.3 below.

7.3 Special Meetings

The Board may at any time call a special Shareholders Meeting.

The holders of not less than ten percent (10%) of the issued shares that carry the right to vote at a Shareholders Meeting sought to be held may requisition the Board to call a Shareholders Meeting for the purposes stated in the requisition.

The requisition, signed by at least one shareholder, must state the business to be transacted at the meeting and must be sent to each Director and to the head office of the Corporation.

On receiving the requisition, the Board calls a Shareholders Meeting to transact the business stated in the requisition. If the Board does not within twenty-one (21) days after receiving the requisition call a meeting, any shareholder who signed the requisition may call the meeting.

Unless the shareholders otherwise resolve at a meeting called by shareholders, the Corporation must reimburse the shareholders for the expenses reasonably incurred by them in requisitioning, calling and holding the meeting.

7.4 Place of Meetings

Subject to the Articles, Shareholders Meetings must be held in Quebec at the place determined by the Board. If the Articles so allow, or in the absence of such a provision, if all the shareholders entitled to vote at the meeting agree, the meeting may be held at a place outside of Quebec.

7.5 Participation in Meetings by Electronic Means

A meeting may be held solely by means of equipment enabling all participants to communicate directly with one another.

In addition, any Person entitled to attend a Shareholders Meeting may participate in the meeting by means of any equipment enabling all participants to communicate directly with one another. A Person participating in a meeting by such means is deemed present at the meeting.

Any shareholder participating in a Shareholders Meeting by means of equipment enabling all participants to communicate directly with one another may vote by any means enabling votes to be cast in a way that allows them to be verified afterwards and protects the secrecy of the vote when a secret ballot has been requested.

7.6 Notice of Meetings

A notice of a Shareholders Meeting specifying the time and place of the meeting, as well as the business to be transacted, must be sent, in writing and by any means providing proof of the date of receipt, to each Person entitled to vote at the meeting not less than twenty-one (21) days and not more than sixty (60) days before the meeting. It must also specify the time before which the Corporation must receive the proxies of the shareholders who wish to be represented at the Shareholders Meeting, which time must not exceed forty-eight (48) hours preceding the Shareholders Meeting or the resumption of a Shareholders Meeting after an adjournment, excluding Saturdays and holidays.

Notice of a Shareholders Meeting at which special business is to be transacted shall state the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon, and contain the text of any special resolution to be submitted to the meeting. All business transacted at a special meeting of the shareholders and all business transacted at an annual shareholders meeting, except consideration of the financial statements and auditor's report, the appointment of the auditor and the election of Directors, is deemed to be special business.

If a Director or a shareholder entitled to vote at a Shareholders Meeting gives written notice not less than ten (10) days before the meeting to the auditor or a former auditor of the Corporation, the auditor or former auditor attends the meeting at the Corporation's expense and answers any question relating to their duties as auditor.

Irregularities in the notice of the Shareholders Meeting or in its sending will not affect the validity of the Shareholders Meeting. Similarly, the unintentional failure to send a notice of Shareholders Meeting to a person entitled to it, or the failure to receive it by a person entitled to the notice, does not invalidate the resolutions passed at such meeting.

7.7 Waiver of Notice

A shareholder or Director may waive notice of a Shareholder Meeting; the waiver may be given either before or after the meeting. Their attendance at the meeting is a waiver of notice of the meeting unless they attend the meeting for the sole purpose of objecting to the holding of the meeting on the grounds that it was not lawfully called or held.

7.8 Record Date for Notice

The Board may set, in conformity with applicable securities law requirements, a date prior to the date on which a meeting is to be called or held as the record date for the purpose of determining shareholders entitled to receive notice of or to vote at the meeting, and only those registered shareholders registered on the date so set shall be so entitled, notwithstanding any transfer of shares in the registers of the Corporation between the record date and the date on which the meeting is called or held. The record date must be not less than twenty-one (21) days and not more than sixty (60) days before the meeting.

7.9 Chair and Secretary

The chairperson of the Board or, in the chairperson's absence, the president or, in the president's absence, a vice-president shall be chairperson of any meeting of shareholders. If none of these

officers are present within fifteen (15) minutes after the time appointed for holding the meeting, the Persons present and entitled to vote shall choose a chairperson from amongst themselves. The secretary of the Corporation shall act as secretary at any Shareholders Meeting or, if the secretary of the Corporation is absent, the chairperson of the meeting shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by resolution or by the chairperson with the consent of the meeting in accordance with the procedure set out in section 7.16.

7.10 Procedure

The chairperson of the meeting directs the meeting and ensures its orderly conduct. His decisions, including those relating to the validity of proxies, are final and binding on all the shareholders.

7.11 Persons Entitled to be Present

The only persons entitled to be present at a Shareholders Meeting shall be those entitled to vote thereat, the Directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the Articles or By-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairperson of the meeting or with the consent of the meeting in accordance with the procedure set out in section 7.17.

7.12 Quorum

A quorum of shareholders is present at a meeting of shareholders, provided that a quorum shall not be less than two persons, if the holders of at least thirty-three and one-third percent (33 1/3%) of the shares of the Corporation entitled to vote at the meeting are present in person or represented by proxy. A quorum need not be present throughout the meeting provided a quorum is present at the opening of the meeting.

7.13 Right to Vote

Subject to a record date established in accordance with section 7.8, at a Shareholders Meeting, the shareholders registered on the securities register of the Corporation are entitled to exercise the voting rights attached to the shares in their name.

7.14 Proxies and Representatives

Every shareholder entitled to vote at a Shareholders Meeting may, by means of a proxy, appoint a proxyholder, or one or more alternate proxyholders, who need not be shareholders, to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be signed in writing or by electronic signature by the shareholder or the shareholder’s representative authorized in writing or by electronic signature.

Unless otherwise indicated, a proxy lapses one year after the date it is given. It may be revoked at anytime.

A proxyholder has the same rights as the shareholder represented to speak at a Shareholders Meeting in respect of any matter and to vote at the meeting. However, a proxyholder who has conflicting instructions from more than one shareholder may not vote by a show of hands.

7.15 Joint Shareholders

If two or more Persons hold shares jointly, one of those holders present at a Shareholders Meeting may in the absence of the others vote the share, but if two or more of those Persons who are present, in person or by proxy, vote, they shall vote as one on the shares jointly held by them.

7.16 Votes to Govern

Except as otherwise required by the Act and the Articles, all questions proposed for the consideration of shareholders at a Shareholders Meeting shall be determined by a majority of the votes cast by all who are entitled to vote.

7.17 Casting Vote

In case of an equality of votes at any meeting of shareholders, regardless of the manner of voting, the chairperson of the meeting shall not be entitled to a second or casting vote.

7.18 Show of Hands

Any question at a Shareholders Meeting shall be decided by a show of hands, unless a ballot thereon is demanded by a shareholder entitled to vote at the Shareholders Meeting as hereinafter provided. Every Person who is present and entitled to vote thereon shall have one vote. Whenever a vote by any means other than by ballot is taken, a declaration by the chairperson of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be *prima facie* evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

7.19 Ballots

On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, the chairperson may require, or any shareholder or proxyholder entitled to vote at the meeting may demand, a ballot. A ballot so required or demanded shall be taken in such manner as the chairperson shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each Person present shall be entitled, in respect of the shares which the Person is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the Articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

7.20 Adjournment

Whether or not there is quorum, the chairperson of the Shareholders Meeting may, with the consent of the shareholders present or represented by proxy and following the procedure set at section 7.16,

adjourn any Shareholders Meeting. The chairperson of the Shareholders Meeting may also adjourn a meeting ex officio if he believes it is impossible to conduct it in an orderly manner.

If a Shareholders Meeting is adjourned for less than thirty (30) days, it is not necessary to give notice of the adjourned meeting other than by announcement at the original meeting. If a Shareholders Meeting is adjourned by one or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting must be given as for an original meeting.

The Shareholders Meeting is validly resumed if it is held on the date and at the time and place announced and if there is quorum. In the absence of quorum at the adjourned meeting, the original meeting is deemed to have terminated immediately after its adjournment.

7.21 Storage of Ballots and Proxies

The Corporation must, for at least three (3) months after a Shareholders Meeting, keep at its head office the ballots cast and the proxies presented at the meeting. Any shareholder or proxyholder who was entitled to vote at the meeting may, without charge, inspect the ballots and proxies kept by the Corporation.

8 - SHARES AND CERTIFICATES

8.1 Issuance of Shares

Subject to any pre-emptive right granted to shareholders, shares may be issued at the times, to the Persons, including Directors and officers, and for the consideration that the Board determines. The Board may, by resolution, accept subscriptions, issue and allot unissued shares from the Corporation's share capital and grant exchange rights, options or acquisition rights with respect to those shares.

8.2 Payment of Shares

Shares may be issued whether or not they are fully paid. However, shares may only be considered paid if consideration equal to the issue price determined by the Board has been paid to the Corporation.

Consideration for the shares issued by the Corporation is payable in money, or in property or past services determined by the Board to be the fair equivalent of the money consideration, considering all the circumstances.

A promissory note or a promise to pay made by a Person to whom shares are issued, or a Person who does not deal at arm's length, within the meaning of that expression in the *Taxation Act* (Quebec), with a Person to whom shares are issued does not constitute consideration for the shares.

8.3 Unpaid Shares

Unless the terms of payment for shares are determined by contract, the Board may call for payment of all or part of the unpaid amounts on shares subscribed or held by the shareholders, the whole as provided by the Act.

8.4 Securities Register

The securities register of the Corporation must contain the following information with respect to its shares:

a) the names, in alphabetical order, and the addresses of present and past shareholders;

b) the number of shares held by each such shareholder;

c) the date and details of the issue and transfer of each share; and

d) any amount due on any share.

The register must contain, if applicable, the same information with respect to the Corporation's debentures, bonds, notes and other securities, with the necessary modifications.

8.5 Register of Transfer

The Corporation shall cause to be kept a register of transfers in which all transfers of securities issued by the Corporation in registered form and the date and other particulars of each transfer shall be set out.

Subject to the Act, the transfer of shares is governed by the *Act respecting the transfer of securities and the establishment of security entitlements* (Quebec).

8.6 Registration of Transfer

If an endorsed share certificate in registered form is presented to the Corporation with a request to register a transfer of the certificated share or an instruction is presented to the Corporation with a request to register a transfer of an uncertificated share, the Corporation registers the transfer as requested if:

a) under the terms of the share, the purchaser is eligible to have the share registered in that Person's name;

b) the endorsement or instruction is made by the appropriate Person or by that Person's representative;

c) reasonable assurance is given that the endorsement or instruction is neither forged nor counterfeited and is authorized;

d) any applicable fiscal law that imposes duties on the Corporation at the time of the transfer has been complied with;

e) the transfer does not violate any restriction on transfer imposed by the Corporation that is enforceable against the purchaser or imposed by law; and

f) the transfer is rightful or is to a protected purchaser, pursuant to the Act respecting the transfer of securities and the establishment of security entitlements (Quebec).

Shares that are not fully paid but for which no instalment is payable may only be transferred with the authorization of the Board. The Directors must reasonably verify the acquirer's ability to pay for the shares before authorizing the transfer.

A share may not be transferred until all instalments payable up to the time of transfer have been fully paid.

8.7 Registered Ownership

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 thereof and otherwise to exercise all the rights and powers of an owner of a share.

8.8 Share Certificates

A share issued by the Corporation may be a certificated share or an uncertificated share. A certificated share is represented by a paper certificate in registered form, and an uncertificated share is represented by an entry in the securities register in the name of the shareholder.

Unless otherwise provided in the Articles, shares are issued as certificated shares unless the Board determines, by resolution, that the shares of any class or series or certain shares of a class or series are to be issued as uncertificated shares.

The Board may also, by resolution, determine that a certificated share becomes an uncertificated share as soon as the paper certificate is surrendered to the Corporation.

Inversely, the Board may, by resolution, determine that an uncertificated share becomes a certificated share on delivery to the shareholder of a certificate in the shareholder's name or, in the case of a control agreement under the *Act respecting the transfer of securities and the establishment of security entitlements* (Quebec), on delivery to the purchaser, within the meaning of the *Act respecting the transfer of securities and the establishment of security entitlements* (Quebec), of a certificate in the purchaser's name, unless there are provisions inconsistent with such a control agreement, in which case those provisions apply. The Board must give notice of the resolution to the shareholders of the classes or series of shares concerned.

8.9 Certificated Shares

In the case of certificated shares, the Corporation must issue to the shareholder, without charge, a certificate in registered form.

Share certificates shall be in such form as the Board may from time to time approve in accordance with the requirements of the Act.

Subject to any resolution of the Board providing otherwise, the share certificates of the Corporation must be signed by any of the Directors or officers or by a person acting in their name. The signature may be affixed by an automatic device or electronic process.

In the absence of any evidence to the contrary, the certificate is proof of the shareholder's title to the shares represented by the certificate.

Share certificates need not be under corporate seal.

8.10 Uncertificated Shares

In the case of uncertificated shares, the Corporation must send the shareholder a written notice containing the information required under the Act.

8.11 Replacement of Share Certificates

If the shareholder of a certificated share claims that the certificate has been lost, wrongfully taken or destroyed, the Corporation must issue a new certificate if the shareholder:

a) so requests before the Corporation has notice that the lost, wrongfully taken or allegedly destroyed certificate has been delivered to a protected purchaser, as such term is defined in the *Act respecting the transfer of securities and the establishment of security entitlements* (Quebec);

b) provides security sufficient in the Corporation's judgment to protect the Corporation from any loss that the Corporation may suffer by issuing a new certificate; and

c) satisfies any other reasonable requirements imposed by the Corporation.

8.12 Joint Shareholders

If two or more Persons are registered as joint holders of any share, the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such Persons shall be sufficient delivery to all of them. Any one of such Persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.

8.13 Deceased Shareholders

In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make payment of any dividends thereon except upon production of all such documents as may be required by the Act and upon compliance with the reasonable requirements of the Corporation or it transfer agent.

8.14 Delegation

Subject to the limits of the Act, the Board may delegate the powers and duties provided for in this section 8 *inter alia,* to the corporate secretary of the Corporation or to a transfer agent or any other agent responsible for keeping, in whole or in part, the securities register.

9 - DIVIDENDS AND RIGHTS

9.1 Dividends

Subject to the provisions of the Act and the Articles, the Board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid, in whole or in part, in money or property or by issuing fully paid shares or options or rights to acquire fully paid shares of the Corporation.

If shares of the Corporation are issued in payment of a dividend, the Corporation may add all or part of the value of those shares to the appropriate issued and paid-up share capital account.

The Corporation may not declare and pay a dividend, except by issuing shares or options or rights to acquire shares, if there are reasonable grounds for believing that the Corporation is, or would after the payment be, unable to pay its liabilities as they become due.

The Corporation may deduct from the dividends payable to a shareholder any amount due to the Corporation by the shareholder, on account of calls for payment or otherwise.

9.2 Dividend Cheques

A dividend payable in cash may be paid by cheque drawn on the Corporation's banks or by electronic means to the order of each registered holder of shares of the class or series in respect of which it has been declared. Cheques may be sent by prepaid ordinary mail to such registered holder at such holder's address recorded in the Corporation's securities register, unless in each case such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and, if more than one address is recorded in the Corporation's securities register in respect of such joint holding, the cheque shall be mailed to the first address so appearing. The mailing of such cheque, in such manner, unless the cheque is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

9.3 Non-receipt or Loss of Cheques

In the event of non-receipt or loss of any dividend cheque by the Person to whom it is sent, the Corporation shall issue to such Person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt or loss and of title as the Board may from time to time prescribe, whether generally or in any particular case.

9.4 Record Date for Dividends and Rights

The Board may fix, in advance, in accordance with applicable securities law requirements, a record date for the determination of the shareholders entitled to receive dividends.

9.5 Unclaimed Dividends

Any dividend unclaimed after a period of two (2) years from the date on which the dividend has been declared to be payable shall be forfeited and shall revert to the Corporation.

10 - NOTICES

10.1 Method of Giving Notices

Any notice, communication or document **("notice")** to be given or sent pursuant to the Act, the Articles, the By-laws or otherwise to a shareholder, Director, officer or auditor shall be sufficiently given or sent if given or sent by prepaid mail, prepaid transmitted, recorded, or electronic communication capable of providing a written copy of such notice, or delivered Personally to such Person's latest address as shown on the securities register of the Corporation or, in the case of a Director, if more current, the address as shown in the most recent declaration filed under the *Act Respecting the Legal Publicity of Enterprises* (Quebec). A notice shall be deemed to have been received on the date when it is delivered Personally, or on the fifth (5^{th}) day after mailing, or on the date of dispatch of a transmitted or recorded electronic communication. The secretary may change or cause to be changed the recorded address of any shareholder, Director, officer or auditor in accordance with any information believed by the secretary to be reliable.

10.2 Notice to Joint Shareholders

Subject to the *Securities Act* (Quebec) and applicable regulations in securities laws, if two or more Persons are registered as joint holders of any share, any notice shall be addressed to all of such joint holders but notice to one of such Persons shall be sufficient notice to all of them.

10.3 Undelivered Notices

If any notice given to a shareholder pursuant to section 10.1 is returned on two consecutive occasions because the shareholder cannot be found, the Corporation shall not be required to give any further notice to such shareholder until such shareholder informs the Corporation in writing of the shareholder's new address.

10.4 Omissions and Errors

The accidental omission to give or send any notice to any shareholder, Director, officer or auditor, or the non-receipt of any notice by any such Person or any error in any notice not affecting the substance thereof, shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise based thereon.

10.5 Persons Entitled by Death or Operation of Law

Every Person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given or sent to the shareholder from whom the Person derives title to such share prior to that Person's name and address being entered on the securities register (whether such notice was given or sent before or after the happening of the event upon which that Person becomes so entitled) and prior to that Person furnishing to the Corporation the proof of authority or evidence of entitlement prescribed by the Act.

10.6 Waiver of Notice

Any shareholder (or shareholder's duly appointed proxyholder), Director, officer or auditor may at any time waive the giving or sending of any notice, or waive or abridge the time for any notice, required to be given to that Person under any provision of the Act, the Articles, the By laws or otherwise and such waiver or abridgement shall cure any default in the giving or sending or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing or given by electronic signature except a waiver of notice of a Shareholders Meeting or of the Board which may be given in any manner.

11 - MISCELLANEOUS

11.1 Declarations to the Enterprise Register

A Director, officer or any authorized person signs the declarations which must be sent by the Corporation to the enterprise registrar under the *Act respecting the legal publicity of enterprises* (Quebec).

11.2 Enactment, Repeal and Amendment of the By-Law

The Directors may from time to time amend the present By-law, repeal the provisions thereof in whole or in part or add thereto by adopting any other administrative by-law or any other by-law dealing with any other applicable matter. Subject to the applicable provisions of the Act, any such amendment, repeal or addition is effective as of the date of the resolution of the Board adopting it. It must be submitted to the shareholders for approval at the next Shareholders Meeting, and the shareholders may, by ordinary resolution, ratify, amend or reject it. It ceases to be effective at the close of the Shareholders' Meeting if it is rejected by or not submitted to the shareholders. However, By-law amendments relating to procedural matters with respect to Shareholders Meetings take effect only once they have received shareholder approval.

The Board is authorized to make any clerical change to the By-law to correct typographical errors or to clarify the meaning of a particular provision without requiring the approval of the shareholders.

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Exhibit 10.1

ACASTI PHARMA INC.
STOCK OPTION PLAN AS AMENDED SEPTEMBER 28, 2022

OPTION AGREEMENT
(the "**Option Agreement**")

Acasti Pharma Inc. (the "**Company**") hereby grants the following Options to you subject to the terms and conditions of this Option Agreement, together with the provisions of the Company's Stock Option Plan as amended September 28, 2022 (the "**Plan**"), all the terms of which Plan are hereby incorporated into this Option Agreement:

Name of Option Holder: _____

Grant Date: _____

Number of Options Granted: _____

Exercise Price: _____

Expiry Date: _____

The Options are intended to be incentive stock options qualifying under Section 422 of the Code, although the Company makes no representation or guarantee that the Options will qualify as ISOs.

1.The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Option Agreement and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.

2.The Options are only exercisable before they expire and then only with respect to the vested portion of the Options. The Options shall vest in accordance with the vesting schedule set forth on the Vesting Schedule attached hereto (the "**Schedule**"); provided, however, that for purposes of vesting, fractional numbers of Shares shall be rounded to the nearest whole number, and the number of Shares that shall vest on the final vesting date shall be rounded up or down as necessary such that the total number of Shares that vest pursuant to the vesting schedule shall be equal to the number of Shares covered by the Options as set forth on the Schedule.

3.The Option Holder consents to and authorizes the use of the Option Holder's personal information required by the Company in order to administer the Plan, the disclosure of such personal information to any custodian appointed in respect of the Plan and other third parties, and to the disclosure of such personal information to such persons (including persons located outside my jurisdiction of residence) in connection with the administration of the Plan. The Option Holder acknowledges that jurisdictions outside the Option Holder's jurisdiction of residence may not provide the same statutory protection for the personal information as the Option Holder's jurisdiction of residence.

4.Each notice relating to the Options must be in writing and signed by the Option Holder or the Option Holder's legal representative. All notices to the Company must be delivered personally, e-mail or mail, postage prepaid and must be addressed to [ ]. All notices to the Option Holder will be addressed to the principal address of the Option Holder on file with the Company. Either the Option Holder or the Company may designate a different address by written notice to the other. Any notice

given by either the Option Holder or the Company is not binding on the recipient thereof until received.

5.Nothing in the Plan, in this Option Agreement, or as a result of the grant of Options to the Option Holder, will affect the Company's right, or that of any Subsidiary of the Corporation, to terminate the Option Holder's employment at any time for any reason whatsoever. Upon such termination, the Option Holder's rights with respect to the Option will be subject to restrictions and time limits, complete details of which are set out in the Plan.

ACASTI PHARMA INC.

By:

VESTING SCHEUDLE TO OPTION AGREEMENT

Vesting Schedule: [ ]

UNDERSTANDING, ACKNOWLEDGEMENT AND ACCEPTANCE:

I acknowledge that I have received a copy of the Plan. I have read this Option Agreement and the Plan and accept the Options in accordance with and subject to the terms and conditions of this Option Agreement and the Plan.

6.For the avoidance of any doubt:

(a)I confirm that I have read and understood Section 4.2 of the Plan, including the definition of "Termination Date".

(b)I understand that Section 4.2 of the Plan governs my rights pursuant to the Options upon the termination of my employment or other service engagement, as applicable, with the Company or a Subsidiary of the Corporation.

7.I hereby waive the right to assert or argue that either (i) I did not read the Option Agreement and/or the Plan, or (ii) I did not understand the consequences of Section 4.2 of the Plan. I understand that I may at any time ask questions about the Plan (including the consequences of Section 4.2 of the Plan), by contacting [ ] of the Company or such person's designate.

8.I acknowledge and agree that I have received good and sufficient consideration for entering into this Option Agreement, including the grant of the Options which is fully conditional on me entering into this Option Agreement. I agree to be bound by the terms and conditions of the Plan governing these Options.

Date Accepted	Signature

Exhibit 10.2

ACASTI PHARMA INC.
STOCK OPTION PLAN AS AMENDED SEPTEMBER 28, 2022

OPTION AGREEMENT
(the "**Option Agreement**")

Acasti Pharma Inc. (the "**Company**") hereby grants the following Options to you subject to the terms and conditions of this Option Agreement, together with the provisions of the Company's Stock Option Plan as amended September 28, 2022 (the "**Plan**"), all the terms of which Plan are hereby incorporated into this Option Agreement:

Name of Option Holder: _____

Grant Date: _____

Number of Options Granted: _____

Exercise Price: _____

Expiry Date: _____

Options issued to directors will be considered Non-Qualified Stock Options as they do not qualify under Section 422 of the Code as Incentive Stock Options. We recommend that the US resident Directors consult tax counsel about the tax implications when exercising options in future.

1.The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Option Agreement and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.

2.The Options are only exercisable before they expire and then only with respect to the vested portion of the Options. The Options shall vest in accordance with the vesting schedule set forth on the Vesting Schedule attached hereto (the "**Schedule**"); provided, however, that for purposes of vesting, fractional numbers of Shares shall be rounded to the nearest whole number, and the number of Shares that shall vest on the final vesting date shall be rounded up or down as necessary such that the total number of Shares that vest pursuant to the vesting schedule shall be equal to the number of Shares covered by the Options as set forth on the Schedule.

3.The Option Holder consents to and authorizes the use of the Option Holder's personal information required by the Company in order to administer the Plan, the disclosure of such personal information to any custodian appointed in respect of the Plan and other third parties, and to the disclosure of such personal information to such persons (including persons located outside my jurisdiction of residence) in connection with the administration of the Plan. The Option Holder acknowledges that jurisdictions outside the Option Holder's jurisdiction of residence may not provide the same statutory protection for the personal information as the Option Holder's jurisdiction of residence.

4.Each notice relating to the Options must be in writing and signed by the Option Holder or the Option Holder's legal representative. All notices to the Company must be delivered personally, e-mail or mail, postage prepaid and must be addressed to [ ]. All notices to the Option Holder will be addressed to the principal address of the Option Holder on file with the Company. Either the Option Holder or the Company may designate a different address by written notice to the other. Any notice

given by either the Option Holder or the Company is not binding on the recipient thereof until received.

5.Nothing in the Plan, in this Option Agreement, or as a result of the grant of Options to the Option Holder, will affect the Company's right, or that of any Subsidiary of the Corporation, to terminate the Option Holder's employment at any time for any reason whatsoever. Upon such termination, the Option Holder's rights with respect to the Option will be subject to restrictions and time limits, complete details of which are set out in the Plan.

ACASTI PHARMA INC.

By:

VESTING SCHEUDLE TO OPTION AGREEMENT

Vesting Schedule: [ ]

UNDERSTANDING, ACKNOWLEDGEMENT AND ACCEPTANCE:

I acknowledge that I have received a copy of the Plan. I have read this Option Agreement and the Plan and accept the Options in accordance with and subject to the terms and conditions of this Option Agreement and the Plan.

6.For the avoidance of any doubt:

(a)I confirm that I have read and understood Section 4.2 of the Plan, including the definition of "Termination Date".

(b)I understand that Section 4.2 of the Plan governs my rights pursuant to the Options upon the termination of my employment or other service engagement, as applicable, with the Company or a Subsidiary of the Corporation.

7.I hereby waive the right to assert or argue that either (i) I did not read the Option Agreement and/or the Plan, or (ii) I did not understand the consequences of Section 4.2 of the Plan. I understand that I may at any time ask questions about the Plan (including the consequences of Section 4.2 of the Plan), by contacting [ ] of the Company or such person's designate.

8.I acknowledge and agree that I have received good and sufficient consideration for entering into this Option Agreement, including the grant of the Options which is fully conditional on me entering into this Option Agreement. I agree to be bound by the terms and conditions of the Plan governing these Options.

Date Accepted	Signature

Exhibit 31.1

CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Prashant Kohli, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Acasti Pharma Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2023

/s/ Prashant Kohli
Chief Executive Officer

Exhibit 31.2

CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brian Ford, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Acasti Pharma Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2023

/s/ Brian Ford
Chief Financial Officer

Exhibit 32.1

SECTION 906 CERTIFICATION

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) in connection with the quarterly report on Form 10-Q of Acasti Pharma Inc. for the quarterly period ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer hereby certifies, to such officer's knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Acasti Pharma Inc.

/s/ Prashant Kohli

Name: Prashant Kohli
Title: Chief Executive Officer
Date: August 11, 2023

This certification accompanies the Report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed "filed" by Acasti Pharma Inc. for purposes of §18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section.

Exhibit 32.2

SECTION 906 CERTIFICATION

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) in connection with the quarterly report on Form 10-Q of Acasti Pharma Inc. for the quarterly period ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer hereby certifies, to such officer's knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Acasti Pharma Inc.

/s/ Brian Ford

Name: Brian Ford
Title: Chief Financial Officer
Date: August 11, 2023

This certification accompanies the Report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed "filed" by Acasti Pharma Inc. for purposes of §18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section.