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

# FORM 40-F

**ANNUAL REPORT PURSUANT TO SECTION 13(a) or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended February 28, 2013** **Commission File Number 001-35776**

# Acasti Pharma Inc.

(Exact name of Registrant as specified in its charter)

**Québec, Canada**
(Province or other jurisdiction of incorporation or organization)

**2836**
(Primary Standard Industrial Classification Code Number)

**Not Applicable**
(I.R.S. Employer Identification Number)

**545, Promenade du Centropolis, Suite 100**
**Laval, Québec H7T 0A3**
**(450) 687-2262**
(Address and telephone number of Registrant's principal executive offices)

**CT Corporation System**
**111 Eighth Avenue, 13th Floor, New York, NY 10011**
**(212) 894-8700**
(Name, address, (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act: **Common Shares**

Title of Class: **Common Shares**, **no par value**

Name of Exchange where Securities are listed: **The NASDAQ Capital Market**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **Not applicable**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:
**Not applicable**

Information filed with this Form:

[X] Annual Information Form [X] Audited annual financial statements

Number of outstanding shares of each of the issuer's classes of capital or common stock as of February 28, 2013:
**73,107,538 Common Shares outstanding**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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.

[X] Yes [ ] No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).

[ ] Yes [ ] No

**Certifications and Disclosure Regarding Controls and Procedures**.

(a) ***Certifications regarding controls and procedures***. See Exhibits 99.6 and 99.7.

(b) ***Evaluation of disclosure controls and procedures***. The Registrant's Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") have concluded that, based on an evaluation of the Registrant's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) as required by Rules 13a-15(b) and 15d-15(b) under the Exchange Act, the Registrant's disclosure controls and procedures were effective as of February 28, 2013.

It should be noted that while the CEO and CFO believe that the Registrant's 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, not absolute, assurance that the objectives of the control system are met.

(c) ***Management's annual report on internal control over financial reporting and attestation report of the registered public accounting firm***. This annual report does not include a report of management's assessment regarding internal control over financial reporting due to a transition period established by rules of the United States Securities and Exchange Commission (the "**Commission**") for newly public companies.

The Company qualifies as an "emerging growth company" under Section 3(a)(80) of the Exchange Act, as a result of enactment of the Jumpstart Our Business Startups Act of 2012 (the "**JOBS Act**"). Under the JOBS Act, emerging growth companies are exempt from Section 404(b) of the Sarbanes-Oxley Act of 2002, which generally requires that a public company's registered public accounting firm provide an attestation report relating to management's assessment of internal control over financial reporting. The Company qualifies as an emerging growth company and therefore has not included in, or incorporated by reference into, this annual report such an attestation report as of the end of the period covered by this annual report.

(d) ***Changes in internal control over financial reporting***. During the fiscal year ended February 28, 2013, there were no changes in the Registrant's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

**Identification of the Audit Committee.** The Registrant has a separately-designated standing audit committee established in accordance with section 3(a)(58)(A) of the Exchange Act. The Registrant's audit committee is composed of Dr. Ronald Denis, Mr. Marc LeBel, Mr. Michel Chartrand and Mr. Martin Godbout. In the opinion of the board of directors of the Registrant, Dr. Ronald Denis, Mr. Marc LeBel and Mr. Martin Godbout are financially literate and independent as determined under National Instrument 52-110 (Audit Committees), Rule 10A-3 of the Exchange Act and NASDAQ Rule 5605(a)(2) (collectively, the "**Independence Rules**"). Mr. Chartrand is, in the opinion of the board of directors of the Registrant, financially literate and not an independent director as determined by the Independence Rules because he served as the Chief Operating Officer of Neptune Technologies & Bioressources Inc., the Registrant's parent company. The Registrant's audit committee currently consists of a majority of independent directors. Rule 10A-3 of the Exchange Act requires the Registrant to have (i) a majority of independent directors serving on the audit committee within 90 days of the date of the effectiveness of the Registrant's registration statement on Form 8-A filed with the Commission on January 4, 2013 (the "**Registration Statement**") and (ii) all independent Audit Committee members within one year of the date of effectiveness of the Registration Statement. Mr. Chartrand is not a nominee for re-election to the Registrant's board of directors at the Registrant's next annual general meeting of shareholders scheduled to occur on June 27, 2013, after which time the Registrant expects its audit committee to be comprised of three independent directors.

Additional information regarding the members of the Registrant's audit committee can be found under the heading "Report on Audit Committee—Composition of the Audit Committee" contained in the Annual Information Form. The audit committee charter can also be found as Schedule A to the Annual Information Form.

**Audit Committee Financial Expert.** The Registrant's board of directors has determined that Mr. Marc LeBel is the "audit committee financial expert" within the meaning of Paragraph 8(b) of General Instruction B of Form 40-F.

The Commission has indicated that the designation of Mr. LeBel as an audit committee financial expert does not make Mr. LeBel an "expert" for any purpose, impose any duties, obligations or liability on Mr. LeBel that are greater than those imposed on members of the audit committee and board of directors who do not carry this designation or affect the duties, obligations or liability of any other member of the audit committee or board of directors.

**Code of Ethics.** The Registrant has adopted a code of ethics entitled "Code of Business Conduct and Ethics for Directors, Officers and Employees" (the "**Code**") that applies to all directors, officers and employees, including the Registrant's principal executive officer, principal financial officer and principal accounting officer. A copy of the Code is attached as Exhibit 99.4 hereto.

**Principal Accountant Fees and Services.** The information provided under the headings "External Auditor Fees—Audit Fees", "—Audit-Related Fees", "—Tax Fees" and "—All Other Fees" contained in the Registrant's Annual Information Form for the fiscal year ended February 28, 2013, filed as Exhibit 99.1 hereto (the "**Annual Information Form**") is incorporated by reference herein.

**Audit Committee Pre-Approval Policies and Procedures.** The disclosure provided under "Charter of the Audit Committee of the Board of Directors—Responsibilities for Engaging External Auditors" in Schedule "A" of Exhibit 99.1, the Registrant's Annual Information Form, is incorporated by reference herein. None of the services described above under "Principal Accountant Fees and Services" under the captions "Audit-Related Fees", "Tax Fees" and "All Other Fees" were approved by the audit committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

**Off-Balance Sheet Arrangements.** The Registrant does not have any off-balance sheet financing arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

**Tabular Disclosure of Contractual Obligations**. The tabular disclosure provided under the heading "Contractual Obligations, Off-Balance-Sheet Arrangements and Commitments" contained in the Registrant's Management's Discussion and Analysis dated May 21, 2013 for the year ended February 28, 2013, filed as Exhibit 99.3 hereto is incorporated by reference herein.

**Interactive Data File**. The Registrant is not currently required to submit to the Commission, or post to its corporate website, an Interactive Data File.

**Mine Safety Disclosure**. Not applicable.

**Differences in NASDAQ and Québec Corporate Governance Requirements**. NASDAQ Marketplace Rule 5615(a)(3) permits a foreign private issuer to follow its home country practice in lieu of certain of the requirements of the Rule 5600 Series. A foreign private issuer that follows a home country practice in lieu of one or more provisions of the Rule 5600 Series is required to disclose in its annual report filed with the Commission, or on its website, each requirement of the Rule 5600 Series that it does not follow and describe the home country practice followed by the issuer in lieu of such NASDAQ corporate governance requirements. The Registrant does not follow NASDAQ Marketplace Rule 5620(c), but instead follows its home country practice. The NASDAQ minimum quorum requirement under Rule 5620(c) for a meeting of shareholders is 33.33% of the outstanding shares of common voting stock. The

Registrant's quorum requirement, as set forth in the Registrant's by-laws, is that a quorum for a meeting of the Registrant's holders of common shares is the attendance, in person or by proxy, of the shareholders representing 10% of the Registrant's common shares. The foregoing is consistent with the laws, customs and practices in Québec and the rules and policies of the TSX Venture Exchange.

**Forward-Looking Information**. The information provided under the heading "Cautionary Note Regarding Forward-Looking Information" contained in Exhibit 99.1, the Registrant's Annual Information Form, is incorporated by reference herein.

## UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

**Undertaking**

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

**Consent to Service of Process**

The Registrant has previously filed a Form F-X in connection with the class of securities in relation to which the obligation to file this report arises.

Any change to the name or address of the agent for service of process of the Registrant shall be communicated promptly to the Commission by an amendment to the Form F-X referencing the file number of the relevant registration statement.

**SIGNATURES**

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

DATED this 29th day of May, 2013.

**ACASTI PHARMA INC.**

By: */s/ Henri Harland*
Name: Henri Harland
Title: President & CEO

**EXHIBIT INDEX**

| Exhibit Number | Description |
|---|---|
| 99.1 | 2013 Annual Information Form dated May 29, 2013 for the fiscal year ended February 28, 2013. |
| 99.2 | Financial Statements as at February 28, 2013 and February 29, 2012 and for the years then ended, and the accompanying auditors' report. |
| 99.3 | Management's Discussion and Analysis for the fiscal year ended February 28, 2013. |
| 99.4 | Code of Business Conduct and Ethics for Directors, Officers and Employees. |
| 99.5 | Consent of KPMG LLP. |
| 99.6 | Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the U.S. Securities Exchange Act of 1934, as amended. |
| 99.7 | Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the U.S. Securities Exchange Act of 1934, as amended. |
| 99.8 | Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 99.9 | Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |

EXHIBIT 99.1




# ANNUAL INFORMATION FORM

## Fiscal Year Ended February 28, 2013

**May 29, 2013**

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## BASIS OF PRESENTATION

As used in this annual information form (" **AIF**"), unless the context otherwise requires, references to "Acasti", "Acasti Pharma", "Corporation", "it", "its" or similar terms refer to Acasti Pharma Inc., references to "Neptune" refer to Acasti's parent company, Neptune Technologies & Bioressources Inc., and references to "NeuroBioPharm" refer to Acasti's sister company, NeuroBioPharm Inc.

Market data and certain industry data and forecasts included in this AIF were obtained from internal company surveys, market research, publicly available information, reports of governmental agencies and industry publications and surveys. Acasti has relied upon industry publications as its primary sources for third-party industry data and forecasts. Industry surveys, publications and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Acasti has not independently verified any of the data from third-party sources, nor has Acasti ascertained the underlying economic assumptions relied upon therein. Similarly, internal surveys, industry forecasts and market research, which Acasti believes to be reliable based upon management's knowledge of the industry, have not been independently verified. Forecasts are particularly likely to be inaccurate, especially over long periods of time. In addition, Acasti does not know what assumptions regarding general economic growth were used in preparing the forecasts cited in this AIF. While Acasti is not aware of any misstatements regarding Acasti's industry data presented herein, Acasti's estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under "Risk Factors" in this AIF. While Acasti believes its internal business research is reliable and market definitions are appropriate, neither such research nor definitions have been verified by any independent source. This AIF may only be used for the purpose for which it has been published.

Unless otherwise noted, in this AIF, all information is presented as of February 28, 2013. All references in this AIF to "dollars", "CDN$" and "$" refer to Canadian dollars, and references to "US$" refer to United States dollars, unless otherwise expressly stated.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This AIF contains certain information that may constitute 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 Acasti refers to in this AIF 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. Forward-looking information in this AIF includes, but is not limited to, information or statements about:

- Acasti's ability to conduct its current Phase II and future additional clinical trials for CaPre ®, including the timing and results of those clinical trials;
- Acasti's ability to commercialize and distribute CaPre ® and ONEMIA® in the United States and elsewhere;
- Acasti's estimates of the size of the potential markets for CaPre® and ONEMIA ® and the rate and degree of market acceptance of CaPre® and ONEMIA®;
- the benefits of CaPre® and ONEMIA® as compared to other products in the pharmaceutical and medical food markets, respectively;
- Acasti's ability to maintain and defend its intellectual property rights;
- Acasti's ability to secure a third-party supplier to provide Acasti with sufficient raw materials for its operations, including krill oil, used to manufacture CaPre® and ONEMIA®;

- Acasti's ability to secure a third-party to manufacture CaPre® whose manufacturing processes and facilities are in compliance with current good manufacturing practices ("**cGMP**");

- Acasti's ability to obtain and maintain regulatory approval of CaPre®, and the labeling requirements that would apply under any approval Acasti may obtain;

- regulatory developments affecting the pharmaceutical and medical food markets in the United States and elsewhere;

- the size and growth of the potential markets for CaPre® and ONEMIA ® and Acasti's ability to serve those markets;

- the rate and degree of market acceptance of CaPre®, if it reaches commercialization;

- the success of competing products that are or become available; and

- Acasti's expectations regarding its financial performance, including its revenues, research and development, expenses, gross margins, liquidity, capital resources and capital expenditures.

Although the forward-looking information in this AIF is based upon what Acasti believes are reasonable assumptions, no person should place undue reliance on such information since actual results may vary materially from the forward-looking information.

In addition, the forward-looking information in this AIF is subject to a number of known and unknown risks, uncertainties and other factors, including those described in this AIF under the heading "Risk Factors", many of which are beyond the Corporation's control, that could cause the Corporation's actual results and developments to differ materially from those that are disclosed in or implied by the forward-looking information, including, without limitation:

- whether the current and future clinical trials by the Corporation will be successful;

- whether CaPre® and ONEMIA® can be successfully commercialized;

- the Corporation's reliance on third parties for the manufacture, supply and distribution of its products and for the supply of raw materials, including the ability to find a third party to supply krill oil in sufficient quantities and quality and to produce CaPre® under cGMP standards;

- the Corporation's reliance on a limited number of distributors for ONEMIA ® and its ability to secure distribution arrangements for CaPre® if it reaches commercialization;

- the Corporation's ability to manage future growth effectively;

- the Corporation's ability to achieve profitability;

- the Corporation's ability to secure future financing from Neptune or other third party sources on favorable terms or at all and, accordingly, continue as a going concern;

- the Corporation's ability to gain acceptance of its products in its markets;

- the Corporation's ability to attract, hire and retain key management and scientific personnel;

- the Corporation's ability to achieve its publicly announced milestones on time;

- the Corporation's ability to successfully defend any product liability lawsuits that may be brought against it;

- intense competition from other companies in the pharmaceutical and medical food industries; and

- the Corporation's ability to secure and defend its intellectual property rights and to avoid infringing upon the intellectual property rights of third parties.

Consequently, all the forward-looking information in this AIF is qualified by this cautionary statement and there can be no guarantee that the results or developments that the Corporation anticipates will be realized or, even if substantially realized, that they will have the expected consequences or effects on the Corporation's business, financial condition or results of operations. Accordingly, you should not place undue reliance on the forward-looking information. Except as required by applicable law, Acasti does not undertake to update or amend any forward-looking information, whether as a result of new information, future events or otherwise. All forward-looking information is made as of the date of this AIF.

## CORPORATE STRUCTURE

### Company Overview

Acasti was incorporated on February 1, 2002 under Part 1A of the *Companies Act* (Québec) under the name "9113-0310 Québec Inc". On August 7, 2008, pursuant to a Certificate of Amendment, the Corporation changed its name to "Acasti Pharma Inc.", its share capital, the provisions regarding the restriction on securities transfers and the borrowing powers of the Corporation. On November 7, 2008, pursuant to a Certificate of Amendment, the Corporation has further revised its provisions regarding its borrowing powers. The Corporation became a reporting issuer in the Province of Québec on November 17, 2008. On February 14, 2011, the *Business Corporations Act* (Québec) came into effect and replaced the *Companies Act* (Québec). Acasti is now governed by the *Business Corporations Act* (Québec).

Acasti's head office and registered office is located at 545 Promenade du Centropolis, Suite 100, Laval, Québec H7T 0A3. The Corporation's website address is http://www.acastipharma.com. The Corporation does not incorporate the information on or accessible through its website into this AIF, and you should not consider any information on, or that can be accessed through, its website as part of this AIF.

### Intercorporate Relationships

The Corporation has no subsidiaries. As of the date of this AIF, Neptune owns 41,425,933 Class A shares of Acasti (the " **Common Shares**"), representing approximately 57% of the Common Shares issued and outstanding. The Common Shares are voting, participating and have no par value. Neptune also owns a warrant entitling it to acquire 6,750,000 Common Shares, subject to the final approval of the TSX Venture Exchange ("**TSXV**") and the approval of the disinterested shareholders of Acasti at its next annual meeting, which is scheduled to occur on June 27, 2013.

The Common Shares are listed on the TSXV under the ticker symbol "APO" and on The NASDAQ Stock Market (" **NASDAQ**") under the ticker symbol "ACST".

## ACASTI'S BUSINESS

### Business Overview

Acasti is an emerging biopharmaceutical company focused on the research, development and commercialization of new krill oil-based forms of omega-3 phopholipid therapies for the treatment and prevention of certain cardiometabolic disorders, in particular abnormalities in blood lipids, also known as dyslipidemia. Because krill feeds on phytoplankton (diatoms and dinoflagellates), it is a major source of phospholipids and polyunsaturated fatty acids ("**PUFAs**"), mainly eicosapentaenoic acid (" **EPA**") and docosahexaenoic acid (" **DHA**"), which are two types of omega-3 fatty acids well known to be beneficial for human health.

CaPre®, currently Acasti's only prescription drug candidate, is a highly purified omega-3 phospholipid concentrate derived from krill oil and is being developed to help prevent and treat hypertriglyceridemia, which is a condition characterized by abnormally high levels of triglycerides in the bloodstream. Phospholipids represent approximately two-thirds of the composition of CaPre ®. The majority of EPA and DHA contained in CaPre® is

bound to phospholipids, allowing these PUFAs to more readily reach the small intestine where they undergo faster absorption and transformation into complex fat molecules that are required for transport in the bloodstream. Acasti believes that EPA and DHA are more efficiently transported by phospholipids than EPA and DHA contained in fish oil which are transported by triglycerides and must undergo additional digestion before they are ready for transport in the bloodstream. CaPre® is designed to be used as a therapy in conjunction with positive lifestyle changes and administered either alone or in conjunction with other treatment regiments such as statins (a class of drug used to reduce cholesterol levels) and potentially for use by statin-intolerant or statin-resistant patients. In addition to targeting the reduction of high triglycerides with levels ranging from 200 to 500 mg/dl ("**hypertriglyceridemia**") and very high triglycerides with levels over 500mg/dl (" **severe hypertriglyceridemia**"), nonclinical and preliminary clinical data collected by the Corporation to date has indicated that CaPre® may also normalize blood lipids by reducing low density lipoprotein ("**LDL-C**") (bad cholesterol) and very low density lipoprotein (" **VLDL-C**") while increasing high density lipoprotein ("**HDL-C**") (good cholesterol).

Acasti has initiated two Phase II clinical trials in Canada (the TRIFECTA trial and the COLT trial) designed to evaluate the safety and efficacy of CaPre® for the management of hypertriglyceridemia and severe hypertriglyceridemia. Following the completion of the Phase II COLT trial, if successful, and in parallel with the ongoing Phase II TRIFECTA trial, in Canada, Acasti intends to file an investigational new drug ("**IND**") submission to conduct Phase III clinical trials, and likely a pharmacokinetic study (which may be required by the U.S. Food and Drug Administration ("**FDA**")), for CaPre® in the United States under the guidelines and rules of the FDA. Acasti expects the final results on the COLT trial and TRIFECTA trial by the end of September 2013 and first half of 2014, respectively. See "Acasti's Business–Acasti's Clinical and Nonclinical Experience – Clinical".

ONEMIA®, a medical food and currently Acasti's only commercialized product, is a purified omega-3 phospholipid concentrate derived from krill oil with lower levels of phopholipids, EPA and DHA content than CaPre®. Based on nonclinical studies and clinical testing, Acasti believes ONEMIA® to be safe and effective for the dietary management of omega-3 phospholipid deficiency related to abnormal lipid profiles and cardiometabolic disorders. See "Acasti's Business - Acasti's Products - ONEMIA®."

**Business Strategy**

Key elements of Acasti's strategy to commercialize therapies for dyslipidemia and other cardiometabolic disorders include: (i) completing the Corporation's Phase II TRIFECTA and COLT clinical trials in Canada, initiating and completing Phase III clinical trials and filing a New Drug Application ("**NDA**") to obtain regulatory approval for CaPre® in the United States (initially for the treatment of severe hypertriglyceridemia and thereafter for the treatment of hypertriglyceridemia); (ii) strengthening the Corporation's patent portfolio and other means of protecting intellectual property exclusivity; (iii) pursuing distribution partnerships to commercialize CaPre® in the United States and elsewhere; and (iv) continuing to generate awareness of ONEMIA® throughout the medical community in an effort to build a market foundation for CaPre® to further advance. The Corporation may also pursue strategic opportunities including licensing or similar transactions, joint ventures, partnerships, strategic alliances or alternative financing transactions to provide sources of capital for Acasti. However, no assurance can be given as to when or whether Acasti will enter into any such strategic transaction.

**Treatments for Cardiometabolic Disorders – Acasti's Market**

*Lipid Disorders and Cardiovascular Disease*

Heart attacks, strokes and other cardiovascular events represent the leading cause of death and disability among men and women in the United States. According to the 2011 At-A-Glance Report from the U.S. Center for Disease Control, more than 1 out of every 3 adults in the United States (approximately 83 million) currently lives with one or more types of cardiovascular disease; an estimated 935,000 heart attacks and 795,000 strokes occur in the United States each year; and an estimated 71 million adults in the United States have high cholesterol (i.e., high levels of LDL-C). Having abnormally high levels of lipids or lipoproteins, such as cholesterol and triglycerides, which are fats carried in the blood, is an important risk factor for cardiovascular disease.

The prevalence of hypertriglyceridemia is quickly increasing in the United States and globally, correlating to the increasing incidence of obesity and diabetes. Market participants estimate that one-third of the population in the United States has elevated levels of triglycerides, including over 40 million people diagnosed with

hypertriglyceridemia and over 4 million people diagnosed with severe hypertriglyceridemia. According to The American Heart Association Scientific Statement on Triglycerides and Cardiovascular Disease (2011), triglyceride levels provide important information as a marker associated with the risk for heart disease and stroke, especially when an individual also has low HDL-C and elevated levels of LDL-C. Lowering triglyceride levels is one of the primary goals to reduce a patient's risk of atherosclerotic cardiovascular disease. Hypertriglyceridemia is due to both genetic and environmental factors, including obesity, sedentary lifestyle and high-calorie diets. Hypertriglyceridemia is also associated with comorbid conditions such as diabetes, chronic renal failure, pancreatitis and nephrotic syndrome.

A National Health and Nutrition Examination Survey analysis of dyslipidemia in the United States in 2010 indicated that while LDL-C levels have actually declined since its last analysis, the percentage of patients with hypertriglyceridemia has risen by 6% along with the dramatic increases in obesity. The National Cholesterol Education Program ("**NCEP**") Expert Panel on Detection, Evaluation and Treatment of High Blood Cholesterol recommends that the first priority for the management of hypertriglyceridemia is triglyceride reduction to decrease the risk of pancreatitis. In addition, severe hypertriglyceridemia is also associated with a markedly increased risk for cardiovascular disease and recent studies by market participants have demonstrated that elevated triglyceride levels can be regarded as an independent risk factor for cardiovascular disease-related events such as myocardial infarction, ischemic heart disease and ischemic stroke.

In a subgroup analysis of the Japan EPA Lipid Intervention Study, in which 18,645 hypercholesterolemic patients randomly received EPA plus a statin or statin control, patients with baseline triglycerides >150 mg/dL and HDL <40 mg/dL receiving EPA plus a statin (7,503 patients) had a 19% reduced risk of cardiovascular disease compared to a statin alone (7,478 patients; P=0.048). In addition, the Italian Group for the Study of the Survival of Myocardial Infarction (GISSI) trial randomly assigned 11,324 survivors of recent myocardial infarction to receive omega-3 PUFAs (1 gram per day), vitamin E (300 mg per day), both, or neither (the control group) for 3.5 years. Among the patients who received omega-3 PUFAs alone, as compared to the control group, there was a 15% reduction in the composite primary end point of death, nonfatal myocardial infarction, or nonfatal stroke ($p<0.02$) and a 20% reduction in the rate of death from any cause ($p<0.01$). The reduction in risk of sudden death was statistically significant beginning at the four month stage. A similarly significant, although more delayed, pattern after six to eight months of treatment was observed for cardiovascular, cardiac and coronary deaths.

A recent meta-analysis by Sarwar et al. included 29 prospective studies and was the largest and most comprehensive epidemiological assessment of the association between triglyceride levels and cardiovascular disease risk in Western populations (262,525 participants; 10,158 cases). A combined analysis of the 29 studies yielded an adjusted odds ratio of 1.72 (72% higher risk) for the patients with triglyceride levels greater than or equal to 200 mg/dL compared to those with normal triglyceride levels. The conclusion of the study is that there are moderately strong associations between triglyceride levels and cardiovascular disease risk.

Several omega-3 fatty acid products derived from fish oil are currently being marketed and sold in the United States and elsewhere. Some consist of supplements that are commercialized for human health maintenance while others are prescription omega-3 fatty acids that are designed as treatments for severe hypertriglyceridemia.

*Available Prescription Drugs*

The rise in obesity over the last 20 years has led to a parallel increase in triglyceride levels among the population and awareness of medical and health practitioners about the critical role that high triglyceride levels, particularly together with abnormal levels of LDL-C, HDL-C and non HDL-C (which is collectively referred to as dyslipidemia), have as a predictor of cardiovascular events. Accordingly, the introduction of new prescription drugs and drug therapies to lower the risk of cardiovascular events by addressing dyslipidemia has become a priority. The initial treatment recommendation for patients with dyslipidemia is typically a lifestyle change (diet and increased exercise). Dyslipidemia is also treated with statins, which account for a large portion of prescriptions for dyslipidemia. However, statins alone are primarily used for reducing LDL-C only and appear to have only modest effects on triglyceride levels. Recognizing that statins alone are not effective triglyceride lowering drugs, the NCEP panel recommends the use of more focused therapies to lower triglyceride levels in patients with severe hypertriglyceridemia. The first-line drug therapy in patients with severe hypertriglyceridemia is often a prescription omega-3 fatty acid or fibrates, but clinical tests have shown that fibrates may also induce side effects.

According to an investigation published by the American Medical Association in 2009, fewer than 4% of adults in the United States with hypertriglyceridemia receive prescription medication to lower trigylceride levels, representing a significant unmet medical need. Many available treatment options have limitations in the treatment of hypertriglyceridemia which Acasti believes CaPre® can address. The use of fibrates, for example, has been shown to raise the risk of abnormal increases in liver enzymes and creatinine (a marker of kidney function) and, when combined with a statin, rhabdomyolysis (muscle breakdown). The Corporation does not believe that CaPre® produces such side effects. Furthermore, Acasti believes that CaPre® in combination with statins could become a standard of care in patients with mixed dyslipidemia because of its once per day dosing convenience.

There are several marketed prescription omega-3 fatty acids currently approved for treatment of dyslipidemia in the United States and elsewhere. According to the Frost Sullivan 2012 Global Overview of the EPA and DHA Omega-3 Ingredients Markets, the global market revenue for marine and algae EPA/DHA omega-3 ingredients market in 2011 was approximately $1.8 billion. Lovaza and Omacor, which are sold in the United States and Europe, respectively, are omega-3 ethyl-esters derived from fish oil comprised of EPA and DHA and are indicated for the treatment of severe hypertriglyceridemia in twice-daily doses of two 1-gram capsules or once-a-day dose of four 1-gram capsules. In addition, Vascepa and Epadel are two approved omega-3 ethyl-esters derived from fish oil comprised of EPA that are sold in the United States and Japan, respectively. Market participants have estimated that the total prescription omega-3 market generated over $2 billion in sales worldwide in 2012. Acasti believes that there will be increased growth in the prescription omega-3 market based on the expected introduction, and resulting increased promotion and awareness, of new prescription omega-3 products, as well as the emergence of new clinical data regarding the efficacy of omega-3s in the treatment and prevention of cardiometabolic disorders. Other disorders that potentially benefit from the use of prescription omega 3 fatty acids include osteopenia/osteoporosis, depression, sleep disorders associated with depression and pain and inflammation.

The cardioprotective efficacy of omega-3 fatty acids is well-established. Omega-3 products have anti-thrombotic and anti-inflammatory effects that have proven to inhibit atherosclerosis in animal models as well as reduce the rate of adverse cardiovascular events in humans. Omega-3 fatty acids, particularly those with concentrated levels of EPA and DHA, have been demonstrated in multiple clinical trials to lower concentrations of triglycerides and non-HDL in the bloodstream. In a study published in the American Journal of Clinical Nutrition in 2009, it was proposed that the omega-3 index be considered a potential risk factor for coronary heart disease mortality, especially sudden cardiac death.

*Medical Foods*

Medical foods are at the intersection of functional food and prescription drugs. Medical foods are regulated by the FDA and intended for specific dietary management of a disease with “distinctive nutritional requirements” under the supervision of a physician and contain ingredients that are generally recognized as safe (GRAS) or are otherwise considered acceptable for use. No market pre-authorization by the FDA or other similar international agencies is needed for medical foods to be commercialized in the United States or elsewhere.

The majority of U.S. medical food products on the market are for metabolic diseases. Protein-based medical foods are the most common. Nutrients such as omega-3s, isoflavones, vitamin D, chelated zinc, flavonoids (e.g., baicalin, catechin, pterostilbene), chromium picolinate, phytosterols and L-arginine are other leading ingredients used in this developing category, along with other vitamins and minerals such as pyridoxine, thiamine and folic acid, which are being used in combination. Acasti believes ONEMIA® is the only medical food that offers a high concentration of krill oil-derived omega-3 fatty acids.

Manufacturers are bringing more medical foods to market that address metabolic processes. In 2006, Limbrel (flavocoxid), the first medical food for the management of osteoarthritis, was launched. Axona was designated by the FDA in 2009 as a medical food, targeting metabolic deficiencies associated with Alzheimer’s disease; the well-researched VSL #3, a probiotic for ulcerative colitis and ileal pouch, was introduced to the market in 2002; and NiteBite, a snack bar for the nutritional management of hyperglycemia, has been marketed since 1996.

**Acasti's Products**

*Overview*

Acasti believes its krill oil-based form of omega-3 phospholipid therapies have advantages over omega-3 products that are derived from fish oil. EPA and DHA in krill oil are mainly carried by phospholipids, while EPA and DHA derived from fish oil are mainly carried by triglycerides. Acasti believes that omega-3 phospholipids provide for better absorption and assimilation of EPA and DHA into the blood compared to other omega-3 sources, including those derived from fish oil. Phospholipids represent approximately two-thirds of the composition of CaPre®. This high phospholipid content allows the EPA and DHA bound to the phospholipids to be absorbed into the small intestine where their transformation into complex fat molecules that are required for transport in the bloodstream occurs. Acasti believes that omega-3 fatty acids from fish oil require additional digestion before this process can occur. Once in the blood stream, the target destinations for krill oil-based phospholipids also differ from fish oil-based omega-3 triglycerides. Krill oil is absorbed directly into the membranes of cells and tissue, which are also composed of phospholipids, whereas fish oils are stored in fat tissue as a source of energy, requiring a much higher amount of fish oil in order to provide the body with the EPA and DHA for the desired health benefits. In addition, absorption of ethyl-ester forms of currently available prescription omega-3 fatty acids derived from fish oil requires the breakdown of fats by pancreatic enzymes that are produced in response to the consumption of high fat meals. As a low fat diet is typically a critical component for treatment of patients with severe hypertriglyceridemia, these ethyl-ester formulations have demonstrated lower absorption and bioavailability relative to those formulated as omega-3 phopholipids.

*CaPre®*

CaPre®, currently Acasti's only prescription drug candidate, is a highly purified omega-3 phospholipid concentrate derived from krill oil and is being developed to prevent and treat hypertriglyceridemia. The active ingredient of CaPre® is a mixture of concentrated omega-3 fatty acids purified from crude krill oil and developed as an oral formulation. CaPre® contains EPA and DHA bound to phospholipids as well as free EPA and DHA for a total concentration of approximately two-thirds phospholipids and approximately 30% EPA and DHA. The Corporation's near term strategy is to develop and commercialize CaPre® in the United States as a prescription drug with a claim for the treatment of severe hypertriglyceridemia and, as a next step, the treatment of hypertriglyceridemia.

CaPre® is designed to be used as a therapy in conjunction with positive lifestyle changes and administered either alone or with other treatments such as statins and potentially for use by statin-intolerant or statin-resistant patients. In addition to targeting the reduction of high and very high triglycerides, nonclinical research collected by the Corporation to date has indicated that CaPre® may also normalize blood lipids overall by reducing LDL-C and increasing HDL-C. Clinical research is, however, required in order to confirm an analogous efficacy in humans.

CaPre® is currently being evaluated in the Phase II TRIFECTA and COLT clinical trials in Canada, both of which aim to evaluate the effect of different daily doses of CaPre® on patients with hypertriglyceridemia to severe hypertriglyceridemia. A total of approximately 600 patients have been enrolled in the two trials. Obtaining regulatory approval for CaPre® requires that safety is confirmed and it is effective at reducing triglycerides at a level that would medically benefit the patient. Acasti's longer-term objective is to demonstrate that CaPre® can also reduce LDL-C and raise HDL-C. Acasti believes there are no drugs currently on the market that have been proven effective to a clinically relevant extent for all three indications, although based on nonclinical studies Acasti believes CaPre® may provide significant benefits in all three areas.

*ONEMIA®*

ONEMIA®, a medical food and currently Acasti's only commercialized product to date, is a purified omega-3 phospholipids concentrate derived from krill oil with lower levels of phopholipids, EPA and DHA content than CaPre®. The term "medical food" is defined in the United States Orphan Drug Act as a food which is formulated to be consumed or administered enterally under the supervision of a physician and which is intended for the dietary management of a disease or condition for which distinctive nutritional requirements, based on recognized scientific principles, are established by medical evaluation. Nonclinical studies conducted by the Corporation, supported by

clinical testing conducted on Neptune Krill Oil (NKO®), have shown ONEMIA® to be safe and effective for the dietary management of omega-3 phospholipids deficiency and the related abnormal lipid profiles and cardiometabolic disorders. Phospholipid deficiency and abnormal lipid profiles can lead to a number of conditions, including hyperlipidemia (which generally manifests as high LDL-C and high triglycerides), atherosclerosis (the build-up of plaque on the inside of blood vessels), diabetes, rheumatoid arthritis, certain gastroenterology disorders and metabolic syndrome.

ONEMIA® was introduced in the U.S. market in 2011. In 2012, Acasti made its first sales of ONEMIA ® to a medical food distributor in the United States, which has begun distribution of ONEMIA® through its network of dispensing physicians under its own brand name. ONEMIA ® is also available behind-the-counter in pharmacies. Acasti expects continued sales of ONEMIA® in the short-term to provide revenues that will contribute, in part, to finance Acasti's research and development projects while continuing to generate awareness of ONEMIA® throughout the medical community in an effort to build a market foundation for CaPre® to further advance. During the 2012 fiscal year, Acasti generated revenues of approximately $724,000 from sales of ONEMIA®.

In 2012, Acasti interviewed and collected data on a voluntary basis from physicians either buying, using, or testing ONEMIA ® on some of their patients. The 20 physicians (consisting of five primary care physicians and 15 cardiologists or endocrinologists) that participated are also prescribers of Lovaza and recommended ONEMIA® to 348 patients without controlling their diet, exercise or monitoring compliance with the recommended dosage. Most physicians were willing to try ONEMIA® as a potentially more cost efficient option relative to Lovaza without side effects such as reflux and other gastrointestinal disorders, and having a once per day dosing convenience making it easier to use than Lovaza with its dosage requirements of four 1g capsules per day. This survey also showed that primary care physicians responded favorably to features of ONEMIA® such as once-a-day dosing, bioavailability due to the element of marine phospholipids in ONEMIA ® and the ability to take ONEMIA® with or without a meal.

**Clinical and Nonclinical Research**

*Nonclinical*

Acasti has collaborated with a contract research organization (" **CRO**") to conduct nonclinical development and testing of therapeutic candidates for preventing and treating hypertriglyceridemia. The first series of tests, which was conducted in three mouse models reflecting: (i) healthy state; (ii) hypertriglyceridemia; and (iii) severe hypertriglyceridemia, took place in 2010 to evaluate the active pharmaceutical ingredients ("**APIs**") of CaPre®. After six weeks of treatment at very low doses ranging from human equivalent daily dosages (" **HED**") of between 0.5g and 2.5g of CaPre®, a statistically significant increase of HDL-C and reduction of LDL-C was observed, as well as a reduction of triglycerides by up to 60%.

Acasti completed its own initial nonclinical research designed to evaluate the safety and efficacy of CaPre® in 2011. The efficacy of CaPre® on dyslipidemia was evaluated on Zucker Diabetic Fatty ("**ZDF**") rats, a commonly used diseased rat phenotype, characterized by established type 2 diabetes, glucose intolerance and severely elevated triglycerides and cholesterol. After 4, 8 and 12 weeks of chronic daily treatment with HED of between 0.5g and 2.5g, CaPre® was shown to significantly increase HDL-C, by 40% at the lower dose and by up to 61% at higher dose, after 3 months of treatment of the ZDF rats.

Additional nonclinical research, was completed internally by Acasti in late 2011 to further evaluate a potentially broader spectrum of therapeutic efficacy of CaPre®. CaPre® was administered for three months at a HED of 0.5g and 2.5g in both ZDF diabetic and healthy rats. Both rat phenotypes were subjected to oral glucose tolerance tests ("**OGTT**"). In medical practice, the OGTT is commonly used to test for diabetes and insulin resistance. It involves the oral administration of high amounts of glucose in order determine how quickly it is cleared from the blood. Treatment of ZDF rats with CaPre® was shown to significantly reduce impaired glucose intolerance within one month of treatment, with the higher dose being only slightly more effective than the lower dose. After three months, the ZDF rats had established a normal tolerance to glucose analogous to the tolerance of healthy rats. Also, the healthy rats continued to tolerate glucose normally, indicating another safety parameter for CaPre®.

In preparation of its planned filing of an IND application with the FDA in the future, Acasti carried out an extensive nonclinical program to demonstrate the safety of CaPre® in a defined set of studies required by the FDA.

These studies were carried out by contract research organizations with Good Laboratory Practice certification and conducted on various species of animals recommended by the FDA to investigate the long term effects of CaPre® at doses of up to 10g HED over 13 weeks. In these studies, hematological, biochemical, coagulation and overall health parameters of CaPre® were evaluated and no toxic effects were observed in any of the segments of the studies. Once overall systemic toxicity was ruled out, Acasti's studies focused on the potential toxic effects of CaPre® on vital systems, such as the cardiovascular, respiratory and central nervous system as evaluated by behavioural studies of the various species. These studies demonstrated that CaPre® did not have any adverse or toxic effects on any of the vital systems investigated, again up to doses well above the recommended clinical dose of CaPre®. To rule out any short term toxic effects of CaPre® on genes, genomic toxicity studies were undertaken on accepted cellular and animal models. These studies showed no toxic effects of CaPre® on any of the genetic markers indicative of potential gene altering toxic effects.

Acasti believes these studies clearly indicate that CaPre® was well-tolerated and showed no toxic effects on any of the physiological and vital systems of the tested animal subjects or their genes or molecules at doses well above the anticipated clinical therapeutic dose of 1-4g daily.

Acasti is continuing its nonclinical studies to further investigate the potential therapeutic effects of CaPre® and ONEMIA ® in the management of lipid disorders, in particular by studying their effects on the regulation of genes known to be implicated in the pathogenesis of atherosclerosis.

*Clinical*

The Phase II TRIFECTA and COLT clinical trials have been initiated under Canada's Natural Health Product Directorate (" **NHPD**") guidelines. Both the TRIFECTA and COLT trials have initiated recruitment of patients and are currently in progress.

*COLT Trial*

The COLT trial, a randomized open-label dose-ranging, multi-center trial, is designed to assess the safety and efficacy of CaPre® in the treatment of hypertriglyceridemia and severe hypertriglyceridemia (clinical trial.gov identifier NCT01516151). The primary objectives of the COLT trial are to evaluate the efficacy of 0.5, 1.0, 2.0 and 4.0g of CaPre® per day in reducing fasting plasma triglycerides over four and eight weeks in 276 randomized enrolled patients (230 evaluable patients) with hypertriglyceridemia and severe hypertriglyceridemia as compared to the standard of care alone. The enrollment for this trial is complete.

The primary objective of the COLT trial is to evaluate the effect of CaPre® on fasting plasma triglycerides in patients with triglycerides between 2.28 and 10.0 mmol/L (200-877mg/dL). The secondary objectives of the COLT trial are to evaluate the effect of CaPre® on fasting plasma triglycerides in patients with triglycerides between 2.28 and 5.69 mmol/L (200-499mg/dL); to evaluate the dose dependent effect on fasting plasma triglycerides in patients with triglycerides > 5.7 and <10 mmol/L (500-877 mg/dL); to evaluate the effect of Capre® in patients with hypertriglyceridemia and severe hypertriglyceridemia on fasting plasma levels of LDL-C (direct measurement), fasting plasma levels of HDL-C, non-HDL-C, hs-CRP, omega-3 index; and to assess the tolerability and safety of Capre®.

Preliminary clinical data from 157 patients who have completed four weeks of treatment with 0.5, 1, 2 or 4g of CaPre® per day were assessed and CaPre® achieved a clinically important and statistically significant triglycerides reduction of up to 23% ($p < 0.05$) as compared to the normal standard of care. The COLT trial assesses the effectiveness of CaPre® in patients whose standard of care may be any treatment the treating physicians consider appropriate, ranging from life-style modification to lipid modifying agents such as statins and fibrates. 86% of the patients analyzed in the COLT trial have baseline triglycerides of between 200 and 499mg/dl (2.28 to 5.69 mmol/L) and after the first four weeks no serious adverse events were reported. To date, the results of this preliminary analysis from the COLT trial suggest that CaPre® is safe and effective for the treatment of patients with triglyceride levels ranging from 200 to 500 mg/dL.

*TRIFECTA Trial*

The TRIFECTA trial (clinical trial.gov identifier NCT01455844), a randomized, double-blind, placebo-controlled study, is primarily designed to assess the effect of CaPre® on fasting plasma triglycerides as compared to a placebo in patients with hypertriglyceridemia and severe hypertriglyceridemia. The study consists of the enrollment of 429 randomized patients (342 evaluable patients), 306 of which are currently enrolled in the trial, who will be administered doses of 1.0g or 2.0g of CaPre® or 2.0 g of placebo per day for 12 weeks.

Similar to the COLT trial, the primary objective of the TRIFECTA trial is to evaluate the effect of CaPre® on fasting plasma triglycerides in patients with triglycerides between 2.28 and 10.0 mmol/L (200-877mg/dL). The secondary objectives of the TRIFECTA trial are to evaluate the effect of CaPre® on fasting plasma triglycerides in patients with triglycerides between 2.28 and 5.69 mmol/L (200-499mg/dL); to evaluate the dose dependent effect on fasting plasma triglycerides in patients with triglycerides > 5.7 and <10 mmol/L (500-877 mg/dL); to evaluate the effect of Capre® in patients with hypertriglyceridemia and severe hypertriglyceridemia on fasting plasma levels of LDL-C (direct measurement), fasting plasma levels of HDL-C, non-HDL-C, hs-CRP, omega-3 index; and to assess the tolerability and safety of Capre®.

On December 20, 2012, the TRIFECTA trial completed its first of two interim analyses. The review committee made up of medical physicians assembled to evaluate the progress of the TRIFECTA trial, reviewed the interim analysis relative to drug safety and efficacy, and unanimously agreed that the study should continue as planned. All committee members agreed that there were no concerning toxicity issues related to the intake of CaPre® and that the signals of a possible therapeutic effect, noted as reduction of triglycerides in the groups evaluated, were reassuring and sufficiently clinically significant to allow the further continuation of the TRIFECTA trial. As it is customary, the data was provided to the committee members blind, meaning that the identity of the three groups was not revealed. Since the data showed no safety concerns and a possible therapeutic effect, the decision was made by the committee that there is no need to unblind the data. The Corporation currently expects the TRIFECTA trial to be completed by the first half of 2014.

*Next Steps*

Following the completion of the Phase II COLT trial, if successful, and in parallel with the ongoing Phase II TRIFECTA trial, in Canada, Acasti intends to file an IND submission to conduct Phase III clinical trials. Acasti will likely conduct a pharmacokinetic study (which may be required by the FDA) prior to or in parallel with a Phase III clinical trial for which Acasti expects to file an IND in the United States. The pharmacokinetic study would be designed to enable Acasti to better evaluate the bioavailability and the pharmacokinetics parameters of DHA/EPA in humans following multiple doses of CaPre®. Acasti expects that the duration of a pharmacokinetics study, if required by the FDA, would likely be over a 30-day period and involve the enrollment of approximately 60 healthy subjects.

Acasti expects that the FDA would require Acasti to conduct two Phase III clinical trials in the United States, one in a patient population with high triglycerides (200-499 mg/dL) and a second in a patient population with very high triglycerides (>500 mg/dL). Each of these two studies would constitute the primary basis of an efficacy claim for CaPre® in NDA submissions, one for hypertriglyceridemia and one for severe hypertriglyceridemia. Acasti is also evaluating the possibility of submitting a Special Protocol Assessment ("**SPA**") to the FDA in order to form the basis for the design of its intended Phase III clinical trials. An SPA is a declaration from the FDA that an uncompleted Phase III trial's design, clinical endpoints, and statistical analyses are acceptable for FDA approval. A separate request would be submitted for each specific protocol at least 90 days prior to the anticipated start of the Phase III clinical trials in the United States. See "- Government Regulations - United States Drug Development."

**Sales and Marketing**

The Corporation has exclusive global commercial rights to CaPre®. The Corporation does not currently have in-house sales and marketing or distribution capabilities and the Corporation currently plans to seek an established commercial partner for the distribution of CaPre® if it reaches commercialization. Based on the current status of the TRIFECTA and COLT clinical trials and assuming research and development for both trials proceed as planned, Acasti estimates that the completion of Phase II and Phase III clinical trials for CaPre® will take at least an

additional 24 to 36 months and cost approximately $50.0 million before reaching commercialization. In addition to completing clinical trials, the Corporation expects that additional time and capital will be required to complete the filing of a NDA to obtain FDA approval for CaPre® in the United States and to complete marketing and other pre-commercialization activities. The Corporation would focus initially on specialists, cardiologists and primary care physicians who comprise the top prescribers of lipid-regulating therapies as part of the sales and marketing strategy for CaPre®. See “Risk Factors – Risks Related to Product Development, Regulatory Approval and Commercialization”.

ONEMIA® is being distributed in the United States by Acasti to physicians, who then can either provide it to their patients directly or via a website by using a dedicated medical food access code. Acasti also makes ONEMIA® available via distributors and behind-the-counter in pharmacies. In 2012, Acasti made its first sales of ONEMIA® to a medical food distributor in the United States, which has begun distribution through its network of dispensing physicians under its own brand name. Acasti intends to make ONEMIA® available via additional distributors and behind-the-counter in more pharmacies in the United States and to secure distribution partners to commercialize ONEMIA® outside of the United States. Revenues of Acasti for the fiscal years ended February 28, 2013 and February 29, 2012 were all derived from the sale of ONEMIA® and amounted to approximately $724,000 and $10,000, respectively. During its fiscal year ended February 28, 2013, more than 90% of sales of ONEMIA® were made through Acasti’s distribution partner in the United States and the remaining 10% came from direct sales by Acasti.

**Competition**

The biopharmaceuticals industry is highly competitive. There are many public and private biopharmaceutical companies, universities, governmental agencies and other research organizations actively engaged in the research and development of products that may be similar to the Corporation’s products or address similar markets. It is probable that the number of companies seeking to develop products similar to the Corporation’s products will increase. Many of these and other existing or potential competitors have substantially greater financial, technical and human resources than the Corporation does and may be better equipped to develop, manufacture and market products. These companies may develop and introduce products and processes competitive with or superior to Acasti’s. In addition, other technologies or products may be developed that have an entirely different approach or means of accomplishing the intended purposes of Acasti’s products, which might render the Corporation’s technology and products noncompetitive or obsolete. Acasti’s competitors in the United States and elsewhere include large, well-established pharmaceutical companies, specialty pharmaceutical sales and marketing companies and specialized cardiovascular treatment companies. These companies include GlaxoSmithKline plc, which currently markets Lovaza, a prescription omega-3 for patients with severe hypertriglyceridemia, Abbott Laboratories, which currently markets Tricor and Trilipix (both fibrates) and Niaspan (niacin) for treatment of severe hypertriglyceridemia, and Amarin Corporation, which currently markets Vascepa, an ethyl-ester form of EPA, for the treatment of patients with severe hypertriglyceridemia.

In March 2011, Pronova BioPharma Norge AS, which owns the patents for Lovaza, entered into an agreement with Apotex Corp. and Apotex Inc. to settle their patent litigation in the United States related to Lovaza. Pursuant to the terms of the settlement agreement, Pronova granted Apotex a license to enter the U.S. market with a generic version of Lovaza in the first quarter of 2015, or earlier, depending on circumstances. As a result, Acasti expects Apotex to compete against it as well. Other companies are also seeking to introduce generic versions of Lovaza.

In addition, Acasti is aware of other pharmaceutical companies that are developing products that, if approved, would compete with CaPre®. These include a free fatty acid form of omega-3 (comprised of 55% EPA and 20% DHA) being developed by Omthera Pharmaceuticals, which in April 2012 announced its top-line Phase 3 clinical trial results and indicated that it plans to submit an NDA during 2013 for the treatment of hypertriglyceridemia. On May 28, 2013, London-based AstraZeneca PLC announced that it has entered into a definitive agreement to acquire Omthera Pharmaceuticals. Acasti believes other emerging biopharmaceutical companies are also developing potential treatments for hypertriglyceridemia based on omega-3 fatty acids, but Acasti is unaware of the development stage of their product candidates. CaPre® may also face competition from omega-3 dietary supplements that are available without a prescription. See Risk Factors – Risks Related to Product Development, Regulatory Approval and Commercialization – The Corporation faces competition from other biotechnology and pharmaceutical companies.”

There are also competitors in the medical food market. In May 2013, Pivotal Therapeutics announced positive results for its clinical trial of Vascazen, a medical food product being developed to improve patient lipid profiles and reduce cardiovascular disease risk factors.

**Intellectual Property**

Acasti intends to obtain, maintain and enforce patent protection for its products, formulations, methods and other proprietary technologies, preserve its trade secrets and operate without infringing on the proprietary rights of other parties.

*Patents and Licensed Rights*

In August 2008, Neptune granted to Acasti a license to rights on its intellectual property portfolio related to cardiovascular pharmaceutical applications. This license allows Acasti to exploit the subject intellectual property rights in order to develop novel APIs into commercial products for the medical food and the prescription drug markets. Acasti is responsible for carrying out the research and development of the API, as well as required regulatory submissions and approvals and intellectual property filings relating to the cardiovascular applications. The following table summarizes the patent applications related to Acasti's license from Neptune.

| Patent description | US Patent # | Expiration Date of the Patent | Holder |
|---|---|---|---|
| **Composition of Matter** (NATURAL PHOSPHOLIPIDS OF MARINE ORIGIN CONTAINING FLAVONOIDS AND POLYUNSATURATED PHOSPHOLIPIDS AND THEIR USES) | US8,030,348 (1) | 2022 | Neptune |
| **Method of Use for Dyslipidemia** (KRILL AND/OR MARINE EXTRACTS FOR PREVENTION AND/OR TREATMENT OF CARDIOVASCULAR DISEASES, ARTHRITIS, SKIN CANCER, PREMENSTRUAL SYNDROME, DIABETES AND TRANSDERMAL TRANSPORT) | US8,057,825 | 2022 | Neptune |
| **Method of Extraction** (METHOD OF EXTRACTING LIPIDS FROM MARINE AND AQUATIC ANIMAL TISSUES) | US6,800,299 | 2020 | Neptune (Licensee) |

Note:
(1) Two continuations also stem from U.S. Pat. 8,030,348 (U.S. Pat. 8,278,351 and 8,383,675).

The license agreement provides that the products developed by Acasti must comply with the ranges specified in the license agreement pertaining to the concentration of phospholipids.

The Corporation is obligated under the license agreement to pay Neptune, until the expiration of Neptune's licensed patents, a royalty equal to the sum of (a) in relation to sales of products in the licensed field, the greater of: (i) 7.5% of Acasti's net sales and (ii) 15% of Acasti's gross margin; and (b) 20% of revenues from sub-licenses granted by Acasti to third parties. The license will expire on the date of expiration of the last-to-expire of the licensed patent claims and/or continuation in part and/or divisional of the licensed patent claims. After the last-to expire of the licensed patents, which is currently expected to occur in 2022, the license agreement will automatically renew for an additional period of 15 years, during which period royalties will equal half of those calculated according to the above formula. Notwithstanding the above, the license agreement provides for minimum royalty payments as follows: year 1 - nil; year 2 - $50,000; year 3 - $200,000; year 4 - $225,000 (initially $300,000, but reduced to $225,000 following Acasti's abandonment of its option right to develop products for the over-the-counter market pursuant to the license); year 5 - $700,000; and year 6 and thereafter - $750,000. Minimum royalties are based on contract years based on the effective date of the license agreement, which is August 7, 2008.

On December 4, 2012, the Corporation announced that it entered into a prepayment agreement with Neptune pursuant to which the Corporation exercised its option under the license agreement to pay in advance all of the future royalties payable under the license. The value of the prepayment, determined with the assistance of outside valuations specialists, using the pre-established formula set forth in the license agreement, amounts to approximately $15.5 million, which Acasti intends to pay through the issuance of 6,750,000 Common Shares, issuable at a price of $2.30 per share, upon the exercise of a warrant issued to Neptune.

The prepayment agreement and the issuance of the Common Shares to Neptune upon the exercise of the warrant are subject to the final approval of the TSXV and the approval of the disinterested shareholders of the Corporation at the next annual meeting of shareholders of the Corporation, which is scheduled to occur on June 27, 2013.

Pursuant to the terms and conditions of the license agreement, Acasti is required, at Neptune's option, to have its products, if any, manufactured by Neptune at prices determined according to different cost-plus rates for each of the product categories under the license. A copy of the license agreement is available on SEDAR at www.sedar.com.

Acasti has also initiated its own patent portfolio with its first application for a U.S. provisional composition and use patent. The patent application is entitled "*Concentrated Therapeutic Phospholipid Compositions* (US20110160161)" and relates to concentrated therapeutic phospholipids compositions and methods for treating or preventing diseases associated with cardiovascular disease, metabolic syndrome, inflammation and associated diseases, neurodevelopmental diseases, and neurodegenerative diseases. As of the date of this AIF, Acasti's patent application has been filed in more than 40 jurisdictions worldwide. See "Litigation" and "Risk Factors – Risks Related to Intellectual Property - It is difficult and costly to protect Acasti's intellectual property rights, and Acasti cannot ensure the protection of these rights."

*Brand names and trademarks*

Acasti has applied for worldwide trademark protection of CaPre® as well as for the trademark ONEMIA ®, and is the owner of the trademark BREAKING DOWN THE WALLS OF CHOLESTEROL™ in Canada, the United States and the European Union. The trademark CaPre® is now registered in certain jurisdictions including the United States, Canada and Europe.

*Trade Secrets*

In addition, Acasti protects its optimization and extraction processes through industrial trade secrets and know-how.

**Raw Materials, Manufacturing and Facility**

The Corporation's head office and operations are located at 545, Promenade Centropolis, suite 100, Laval, Québec, Canada, H7T 0A3. The Corporation leases its premises for $6,000 per month.

Acasti uses krill oil as its primary raw material to produce CaPre® and ONEMIA®. There are two ocean regions where krill is generally harvested: the Southern Ocean (Antarctic krill *Euphausia superba*) and the Northern Pacific Ocean (Pacific krill *Euphausia pacifica*), mainly off the coasts of Japan and Canada. The total quantity of the krill species in these two oceans is estimated to be at least 500,000,000 metric tonnes. The World Health Organization estimates that approximately 271,000 metric tonnes of both krill species are harvested annually. From 2002 to 2011, between 105,000 to 212,000 metric tonnes originated from the Southern Ocean and, on average, 60,000 metric tonnes originated from the Northern Pacific Ocean each year. The annual Antarctic krill catches represent an estimated 0.05% of the existing resource. Acasti's products are derived from Antarctic krill.

According to the Commission for the Conservation of Antarctic Marine Living Resources, from 2008 to 2011, annual quotas for Antarctic krill have increased by 33%. Annual allowable quotas of 6.555 million tonnes for 2010 were increased to 8.695 million tons for 2011. As a result, the Corporation believes that krill is an abundant and accessible resource with potential for long-term sustainable exploitation. The average market price for whole frozen krill is approximately US$900 per metric tonne.

Acasti does not own its own manufacturing facility for the production of krill oil, CaPre® and ONEMIA ® nor does it have plans to develop its own manufacturing facility in the foreseeable future. Acasti depends on third party suppliers and manufacturers for all of its required raw materials and drug substance and, if approved for distribution by the FDA, Acasti expects to rely on cGMP third parties to manufacture, encapsulate, bottle and package clinical supplies of CaPre®. Prior to the explosion at Neptune's production plant on November 8, 2012, Acasti acquired all of its krill oil for the production of CaPre® and ONEMIA® from its parent company, Neptune. However, due to the incident, Acasti is currently acquiring its krill oil through purchases in the open market in order to meet production requirements for ONEMIA® and is seeking a third party to both supply krill oil on an interim basis and provide

manufacturing services for the production of CaPre® in accordance with cGMP regulations imposed by the FDA. On May 28, 2013 Neptune's announced that it has commenced reconstruction of its production plant with an anticipated completion by or before its fiscal year ending February 28, 2014. Acasti intends to acquire its krill oil supply from Neptune upon the recommencement of Neptune's krill oil production. See "Risk Factors – Risks Related to the Corporation – Acasti's supply of krill oil for commercial supply and clinical trials is dependent upon relationships with third party manufacturers and key suppliers" and "— The Corporation relies on third parties for the manufacture and supply of CaPre® and ONEMIA® and such reliance may adversely affect Acasti if the third parties are unable or unwilling to fulfill their obligations."

**Employees, Specialized Skills and Knowledge**

Acasti's management consists of professionals experienced in business development, finance and science. The Acasti research team includes scientists with expertise in pharmaceutical development, chemistry, manufacturing and controls, nonclinical and clinical studies, pharmacology, regulatory affairs, quality assurance/quality control, intellectual property and strategic alliances. As of February 28, 2013, the Corporation employed ten persons in Canada, seven of whom have biology, chemistry, biochemistry or microbiology backgrounds, and three of whom serve general and administrative roles. Acasti generally requires all of its employees to enter into an invention assignment, non-disclosure and non-compete agreement. The Corporation relies, in part, on the administrative and other staff of its parent company, Neptune, and also relies on consultants from time to time. The Corporation's employees are not covered by any collective bargaining agreement or represented by a trade union. The Corporation places special emphasis on training for its personnel.

**Litigation**

Due to the fact that a significant portion of the Corporation's intellectual property rights are licensed to it by Neptune, the Corporation depends on Neptune to protect a significant portion of the intellectual property rights that it uses under such license. Neptune is engaged in a number of legal actions relating to its intellectual property.

*U.S. Nutraceuticals LLC*

On or around January 27, 2010, Neptune and Acasti filed a Motion for the Issuance of a Permanent Injunction before the Quebec Superior Court against U.S. Nutraceuticals LLC (d.b.a. Valensa), a based Company. Neptune and Acasti are seeking inter alia an injunction ordering Valensa to amend some patent applications filed by Valensa to add Neptune as co-owner, or in the alternative to have Valensa assign these patent applications to Neptune, as well as punitive damages, loss of profit and loss of business opportunity for an amount currently established at $3,000,000. On September 28, 2011, Valensa filed its Defence wherein it denied Neptune/Acasti's allegations and requested a dismissal of the Motion. Valensa also filed a Cross-Demand but only against Neptune, wherein it alleged breach of contract and damages in the amount of $2,300,000. Neptune has denied all material allegations made by Valensa. The case is currently pending and no trial dates have been set.

*Aker Biomarine ASA and others*

On November 13, 2009, Neptune filed a patent infringement lawsuit against Aker BioMarine ASA, Jedwards International, Inc and Virgin Antartic LLC, asserting its U.S. patent relating to a method of extraction of total lipids fractions from Krill. Neptune alleges that the Defendants have used solvents for the extraction of their krill oil, which are covered by the patent (US6,800,299) licensed to Neptune. As of the date of this Annual Information Form, the case is still pending before the federal district court in Massachusetts.

On October 4, 2011, Neptune filed a Complaint in the U.S. District Court for the District of Delaware against Aker Biomarine ASA, Aker Biomarine Antarctic USA Inc. and Schiff Nutrition International Inc. (Aker et al.) for the infringement of Neptune's U.S. patent 8,030,348 and for damages. On December 19, 2011, Aker et al. filed Counterclaims denying any infringement, seeking the invalidity of Neptune's patent, and seeking an award for costs and damages. The proceedings have been stayed due to the reexamination of the '348 patent.

On October 2, 2012, Neptune filed a Complaint in the U.S. District Court for the District of Delaware against Aker Biomarine ASA, Aker Biomarine Antartic USA Inc., Aker Biomarine Antartic AS, Schiff Nutrition Group Inc., and Schiff Nutrition International Inc. (Aker et al.) for the infringement of Neptune's U.S. patent 8,278,351 and for

unspecified damages. All proceedings in this action are stayed pending a determination from the United States International Trade Commission ("**ITC**") regarding Neptune's request filed on January 29, 2013.

On March 6, 2013, Neptune filed a Complaint in the U.S. District Court for the District of Delaware against Aker Biomarine ASA, Aker Biomarine Antartic USA Inc., Aker Biomarine Antartic AS, Schiff Nutrition Group Inc., and Schiff Nutrition International Inc. (Aker et al.) for the infringement of Neptune's U.S. patent 8,383,675 and for unspecified damages. It is expected that this proceeding will be stayed, pending a determination from the ITC regarding Neptune's request filed on January 29, 2013.

*Enzymotec Limited and others*

On October 4, 2011, Neptune filed a Complaint in the U.S. District Court for the District of Delaware against Enzymotec Limited, Enzymotec USA Inc., Mercola.com Health Resources, LLC and Azantis Inc. for the infringement of Neptune's U.S. patent 8,030,348 and for damages. On December 30, 2011, Enzymotec USA Inc. filed a Counterclaim denying any infringement, seeking the invalidity of Neptune's patent, and seeking an award for costs and damages. On December 30, 2011 and Mercola.com Health Resources, LLC filed a Counterclaim denying any infringement, seeking the invalidity of Neptune's patent, and seeking an award for costs and damages. On December 30, 2011, Enzymotec Limited and Azantis Inc. filed a motion to dismiss for alleged lack of personal jurisdiction. The proceedings have been stayed for the reasons mentioned above.

On October 2, 2012, Neptune filed a Complaint in the U.S. District Court for the District of Delaware against Enzymotec Limited, Enzymotec USA Inc., Mercola.com Health Resources, LLC for the infringement of Neptune's U.S. patent 8,278,351 and for damages. All proceedings in this action are stayed pending a determination from the United States International Trade Commission regarding Neptune's request filed on January 29, 2013.

On March 6, 2013, Neptune filed a Complaint in the U.S. District Court for the District of Delaware against Enzymotec Limited, Enzymotec USA Inc., Mercola.com Health Resources, LLC for the infringement of Neptune's U.S. patent 8,383,675 and for damages. This proceeding has not yet been stayed but will most likely be pending a determination from the United States International Trade Commission regarding Neptune's request filed on January 29, 2013.

*Rimfrost USA and others*

On March 6, 2013, Neptune filed a Complaint in the U.S. District Court for the District of Delaware against Rimfrost USA, LLC, Avoca, Inc., and Olympic Seafood AS for the infringement of Neptune's U.S. patents 8,030,348, 8,287,351 and 8,383,675, and for damages. This proceeding has not yet been stayed but will most likely be pending a determination from the United States International Trade Commission regarding Neptune's request filed on January 29, 2013.

*Patent EP1,417,211*

On March 9, 2010, Neptune filed an appeal with the European Patent Office's Board of Appeal contesting a 2009 decision of the European Patent Office regarding the European composition of phospholipids and use patent EP1,417,211. On April 9, 2013, the European Opposition Board dismissed Neptune's appeal and the European patent EP1,417,211 was revoked.

*ITC Complaint*

On January 29, 2013, Neptune filed a Complaint under Section 337 of the U.S. Tariff Act of 1930 with the United States International Trade Commission alleging that Aker BioMarine AS, Aker BioMarine Antarctic USA, Inc., Aker BioMarine Antarctic AS, Enzymotec Limited, Enzymotec USA, Inc., Olympic Seafood AS, Olympic Biotec Ltd., Rimfrost USA, LLC, Bioriginal Food & Science Corp. and Avoca, Inc., a division of Pharmachem Laboratories Inc. are engaging in unfair trade practices by, at least, the importation, sale for importation, and sale after importation of certain krill-based products, namely krill paste and krill oils, that directly or indirectly infringe one or more claims of Neptune's U.S. Patents No. 8,278,351 and 8,383,675. The ITC has indicated that the evidentiary hearing will commence on December 10, 2013.

The Corporation is not aware of any other legal proceedings or regulatory actions in which it is involved and no such proceedings or regulatory actions are known by the Corporation to be contemplated Government Regulation.

Government authorities in the United States, at the federal, state and local level, and in other countries extensively regulate, among other things, the research, development, testing, manufacture, quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, post-approval monitoring and reporting, marketing and export and import of drug products such as CaPre®. Generally, before a new drug can be marketed, considerable data demonstrating its quality, safety and efficacy must be obtained, organized into a format specific to each regulatory authority, submitted for review and approved by the regulatory authority.

*United States Drug Development*

*FDA Regulatory Process*

In the United States, the FDA regulates drugs under the Federal Food, Drug and Cosmetic Act and its implementing regulations. Drugs are also subject to other federal, state and local statutes and regulations. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state and local statutes and regulations require the expenditure of substantial time and financial resources. Failure to comply with the applicable requirements at any time during the product development or approval process, or after approval, may subject an applicant to administrative or judicial sanctions. These sanctions could include, among other actions, the FDA's refusal to approve pending applications, withdrawal of an approval, a "clinical hold" on investigations intended to support FDA approval, warning letters, product recalls or withdrawals from the market, product seizures, total or partial suspension of production or distribution injunctions, fines, refusals of government contracts, debarment from government programs, restitution, disgorgement, civil or criminal penalties, or entry of consent decrees and integrity agreements. Any agency or judicial enforcement action could have a material adverse effect on Acasti.

In order to be marketed in the United States, CaPre® must be approved by the FDA through the NDA process. The process required before a drug may be marketed in the United States generally involves the following:

- completion of extensive nonclinical (animal) and formulation studies in accordance with applicable regulations, including the FDA's Good Laboratory Practice ("**GLP**") regulations;

- submission of an IND, which must become effective before human clinical trials may begin;

- performance of adequate and well-controlled clinical trials in accordance with the applicable IND and other clinical study-related regulations, such as cGCPs, to establish the safety and efficacy of the proposed drug for its proposed indication;

- submission of an NDA for a new drug;

- satisfactory completion of an FDA pre-approval inspection of the manufacturing facility or facilities where the drug is produced to assess compliance with cGMP to assure that the facilities, methods and controls are adequate to preserve the drug's identity, strength, quality and purity;

- satisfactory completion of potential FDA audit of the nonclinical and/or clinical trial sites that generated the data in support of the NDA; and

- FDA review and approval of the NDA prior to any commercial marketing or sale of the drug in the United States.

The data required to support an NDA is generated in two distinct development stages: nonclinical and clinical. The nonclinical development stage generally involves synthesizing or otherwise producing the active component, developing the formulation and determining the manufacturing process, as well as carrying out non-human toxicology, pharmacology and drug metabolism studies in the laboratory, which support subsequent clinical testing. The sponsor must submit the results of the nonclinical tests, together with manufacturing information, analytical data, any available clinical data or literature and a proposed clinical protocol, to the FDA as part of the IND, which

is a request for authorization from the FDA to administer an investigational drug product to humans. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA raises concerns or questions regarding the proposed clinical trials. The FDA may also place the IND on clinical hold within that 30-day time period. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. A clinical hold may be imposed at any time before or during a clinical trial due to safety concerns or non-compliance. Accordingly, the Corporation cannot be sure that submission of an IND will result in the FDA allowing clinical trials to begin, or that, once begun, issues will not arise that could cause the trial to be suspended or terminated.

The clinical stage of development involves the administration of the investigational drug to healthy volunteers or patients under the supervision of qualified investigators, generally physicians not employed by or under the trial sponsor's control, in accordance with cGCPs, which include the requirement that all research subjects provide their informed consent for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the clinical trial, dosing procedures, subject selection and exclusion criteria, data collection, and the parameters to be used to monitor subject safety and assess the investigational drug's efficacy. Each protocol, and any subsequent amendments to the protocol or new investigator's information, must be submitted to the FDA as part of the IND. Further, each clinical trial must be reviewed and approved by an independent institutional review board ("**IRB**") at or servicing each institution at which the clinical trial will be conducted. An IRB is charged with protecting the welfare and rights of trial participants and considers such items as whether the risks to individuals participating in the clinical trials are minimized and are reasonable in relation to anticipated benefits. The IRB also approves the informed consent form that must be provided to each clinical trial subject or its legal representative. There are also requirements governing the reporting of ongoing clinical trials and completed clinical trial results to public registries, as well as reporting of safety information under the IND.

Clinical studies are generally conducted in three sequential phases that may overlap, known as Phase I, Phase II and Phase III clinical trials. Phase I generally involves a small number of healthy volunteers who are initially exposed to a single dose and then multiple doses of the investigational drug. The primary purpose of these studies is to assess the metabolism, pharmacologic action, side effect tolerability and safety of the drug. Phase II trials typically involve studies in disease-affected patients to determine the dose required to produce the desired benefits. At the same time, safety and further pharmacokinetic and pharmacodynamic information is collected, as well as identification of possible adverse effects and safety risks and preliminary evaluation of efficacy. Phase III clinical trials generally involve large numbers of patients at multiple sites, often in multiple countries (from several hundred to several thousand subjects) and are designed to provide the data necessary to demonstrate the effectiveness of the product for its intended use, its safety in use, and to establish the overall benefit/risk relationship of the product and provide an adequate basis for product approval. Phase III clinical trials should, if possible, include comparisons with placebo and may include a comparison to approved therapies. The duration of treatment is often extended to mimic the actual use of a product during marketing. Generally, two adequate and well-controlled Phase III clinical trials are required by the FDA for approval of an NDA (Pivotal Studies).

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA. In addition, written IND safety reports must be submitted to the FDA and the investigators for serious and unexpected adverse events or any finding from tests in laboratory animals that suggests a significant risk for human subjects. The FDA, the IRB, or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk. Additionally, some clinical trials are overseen by an independent group of qualified experts organized by the clinical trial sponsor, known as a data safety monitoring board or committee. This group provides oversight and will determine whether or not a trial may move forward at designated check points based on review of interim data from the study. The Corporation may also suspend or terminate a clinical trial based on evolving business objectives and/or competitive climate.

The manufacturing process must be capable of consistently producing quality batches of the investigational drug and, among other things, must develop methods for testing the identity, strength, quality and purity of the final drug product. The sponsor must develop appropriate labeling that sets forth the conditions of intended use. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the drug candidate does not undergo unacceptable deterioration over its shelf life.

Post-approval studies, sometimes referred to as Phase IV clinical trials, may be conducted after initial marketing approval. These studies are used to gain additional experience from the treatment of patients in the intended therapeutic indication. In certain instances, the FDA may mandate the performance of Phase IV studies as part of a post-approval commitment, such as pediatric studies.

*NDA and FDA Review Process*

Nonclinical and clinical information is filed with the FDA in an NDA along with proposed labeling. The NDA is a request for approval to market the drug and must contain proof of safety, purity, potency and efficacy, which is demonstrated by extensive nonclinical and clinical testing. Data may come from company-sponsored clinical trials intended to test the safety and effectiveness of a use of a product, or from a number of alternative sources, including studies initiated by investigators. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety and effectiveness of the investigational drug product to the satisfaction of the FDA.

The submission of an NDA is subject to the payment of substantial user fees; a waiver of such fees may be obtained under certain limited circumstances. FDA approval of an NDA must be obtained before marketing a drug in the United States. In addition, under the Pediatric Research Equity Act, an NDA or supplement to an NDA must contain data to assess the safety and effectiveness of the drug for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The FDA may grant deferrals for submission of data or full or partial waivers.

The FDA reviews all NDAs submitted before it accepts them for filing and may request additional information. The FDA must make a decision on accepting an NDA for filing within 60 days of receipt. Once the submission is accepted for filing, the FDA begins an in-depth review of the NDA. Under the goals and policies agreed to by the FDA under the Prescription Drug User Fee Act ("**PDUFA**") the FDA has ten months from the filing date in which to complete its initial review of a standard NDA and respond to the applicant. This review typically takes 12 months from the date the NDA is submitted to the FDA including the screening which takes a period of 60 days. The FDA does not always meet its PDUFA goal dates for standard NDAs, and the review process is often significantly extended by FDA requests for additional information or clarification.

After the NDA submission is accepted for filing, the FDA reviews the NDA to determine, among other things, whether the proposed product is safe and effective for its intended use, and whether the product is being manufactured in accordance with cGMP to assure and preserve the product's identity, strength, quality and purity. The FDA will likely re-analyze the clinical trial data, which could result in extensive discussions between the FDA and the Corporation during the review process.

Before approving an NDA, the FDA will conduct a pre-approval inspection of the manufacturing facilities for the new product to determine whether they comply with cGMPs. The FDA will not approve the product unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. In addition, before approving an NDA, the FDA may also audit data from clinical trials to ensure compliance with GCP requirements. After the FDA evaluates the application, manufacturing process and manufacturing facilities, it will issue a Complete Response Letter ("**CRL**"). A CRL indicates that the review cycle of the application is complete and whether the application is approved and, when applicable, the CRL describes the specific deficiencies in the NDA and may require additional clinical data and/or an additional pivotal Phase III clinical trial(s), and/or other significant and time-consuming requirements related to clinical trials, nonclinical studies or manufacturing. The applicant may either resubmit the NDA, addressing all of the deficiencies identified in the letter, or withdraw the application. Even if such data and information is submitted, the FDA may ultimately decide that the NDA does not satisfy the criteria for approval. Data obtained from clinical trials are not always conclusive and the FDA may interpret data differently than the Corporation interprets the same data.

There is no assurance that the FDA will ultimately approve a drug product for marketing in the United States and the Corporation may encounter significant difficulties or costs during the review process. If a product receives marketing approval, the approval may be significantly limited to specific diseases and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling, may condition the

approval of the NDA on other changes to the proposed labeling, or may require a Risk Evaluation and Mitigation Strategy (REMS), which could limit the Corporation's ability to market the drug once approved. The FDA may also require the development of adequate controls and specifications, or a commitment to conduct post-market testing or clinical trials and surveillance to monitor the effects of approved products.

*U.S. Post-Marketing Requirements*

Following approval of a new product, a pharmaceutical company and the approved product are subject to continuing regulation by the FDA, including, among other things, monitoring and recordkeeping activities, reporting to the applicable regulatory authorities of adverse experiences with the product, providing the regulatory authorities with updated safety and efficacy information, product sampling and distribution requirements, and complying with promotion and advertising requirements, which include, among others, standards for direct-to-consumer advertising, restrictions on promoting drugs for uses or in patient populations that are not described in the drug's approved labeling ("**off-label use**"), limitations on industry-sponsored scientific and educational activities, and requirements for promotional activities involving the internet. Although physicians may prescribe legally available drugs for off-label uses, manufacturers and distributors may not market or promote such off-label uses. Modifications or enhancements to the product or its labeling or changes of the site of manufacture are often subject to the approval of the FDA and other regulators, which may or may not be received or may result in a lengthy review process. In some cases, these changes will require the submission of clinical data and the payment of a user fee.

*U.S. Patent Term Restoration and Marketing Exclusivity*

Depending upon the timing, duration and specifics of the FDA approval of Acasti's prescription drug candidates, some of Acasti's U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, commonly referred to as the Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process. However, patent term restoration cannot extend the remaining term of a patent beyond a total of 14 years from the product's approval date. The patent term restoration period is generally one-half the time between the effective date of an IND and the submission date of an NDA plus the time between the submission date of an NDA and the approval of that application. Only one patent applicable to an approved drug is eligible for the extension and the application for the extension must be submitted prior to the expiration of the patent. The U.S. Patent and Trademark Office, in consultation with the FDA, reviews and approves the application for any patent term extension or restoration. In the future, Acasti intends to apply for restoration of patent term for one of its currently owned or licensed patents to add patent life beyond its current expiration date, depending on the expected length of the clinical trials and other factors involved in the filing and review of the relevant NDA.

*Non-U.S. Drug Regulation*

In Canada, biopharmaceutical product candidates are regulated by the Food and Drugs Act and the rules and regulations promulgated thereunder, which are enforced by the Therapeutic Products Directorate of Health Canada. In order to obtain approval for commercializing new drugs in Canada, Acasti must satisfy many regulatory conditions. Acasti must complete preclinical studies in order to file a clinical trial application ("**CTA**") in Canada. Acasti then receives different clearance authorizations to proceed with Phase 1 clinical trials, which can then lead to Phase 2 and Phase 3 clinical trials. Once all three phases of trials are completed, Acasti files a registration file named a New Drug Submission ("**NDS**") in Canada. If the NDS demonstrates that the product was developed in accordance with the regulatory authorities' rules, regulations and guidelines and demonstrates favorable safety and efficacy and receives a favorable risk/benefit analysis, then the regulatory authorities issue a notice of compliance, which allows Acasti to market the product.

In addition to regulations in the United States and Canada, Acasti is subject to a variety of regulations governing clinical studies and commercial sales and distribution of its products in other jurisdictions around the world. These laws and regulations typically require the licensing of manufacturing and contract research facilities, carefully controlled research and testing of product candidates and governmental review and approval of results prior to marketing therapeutic product candidates. Additionally, they require adherence to good laboratory practices, good clinical practices and good manufacturing practices during production. The systems of new drug approvals in the

United States, Canada and the European Union are generally considered to be among the most rigorous in the world.

Whether or not the FDA or Health Canada approval is obtained for a product, Acasti must obtain approvals from the comparable regulatory authorities of other countries before it can commence clinical studies or marketing of the product in those countries. The approval process varies from country to country and the time may be longer or shorter than that required for the FDA or Health Canada approval. The requirements governing the conduct of clinical studies, product licensing, pricing and reimbursement vary greatly from country to country. In some international markets, additional clinical trials may be required prior to the filing or approval of marketing applications within the country.

*Medical Food Regulation*

Prior to 1972, medical foods that mitigated serious adverse effects of the underlying diseases were regulated by the FDA as "drugs" under the Federal Food, Drug, and Cosmetic Act. In 1972, in an effort to encourage innovation and availability of such products, the FDA revised its regulatory approach and classified these products as "foods for special dietary use." The Orphan Drug Amendments of 1988 provided a statutory definition of a medical food, which means a food that is formulated to be consumed or administered enterally under the supervision of a physician and which is intended for the specific dietary management of a disease or condition, for which distinctive nutritional requirements, based on recognized scientific principles, are established by medical evaluation. In the Nutrition Labeling and Education Act of 1990, Congress exempted medical foods from the nutrition labeling, health claim, and nutrient disclosure requirements applicable to most other foods, further distinguishing this category from conventional food products.

The regulatory status of these products in other countries varies. It is also possible that such products would be regulated in Canada as natural health products pursuant to the Natural Health Products Regulations.

*Active Pharmaceutical Ingredient Regulation*

The FDA will regulate finished products containing APIs developed or under development by Acasti; the FDA does not actively regulate the APIs themselves. Depending on its intended uses, a finished product containing the API may be regulated as a drug or a medical food under the procedures described above. It may be possible to market a finished product containing an API developed or under development by Acasti as a dietary supplement. Dietary supplements do not require FDA premarket approval. However, it may be necessary to submit a notification to the FDA that a company intends to market a dietary supplement containing a "new dietary ingredient." In general, the regulatory requirements in other countries also depend on the nature of the finished product and do not focus on the API itself.

## HISTORY AND DEVELOPMENT OF THE CORPORATION

### Three-Year History

The following is a summary of significant events related to the development of the Corporation and its business that have occurred in the last three completed fiscal years.

*Fiscal Year Ended February 28, 2011*

During the fiscal year ended February 28, 2011, the Corporation completed the nonclinical program required for the filing of the CTA submission required to be filed in Canada in order to conduct Phase II blind study clinical trials for CaPre®. The CTA submission was submitted to Health Canada in October 2010. During the same fiscal year, Acasti introduced ONEMIA® to the U.S. market.

A total of 11,500,520 warrants to acquire Common Shares were exercised during the fiscal year ended February 28, 2011, representing total proceeds of $4,300,208. In addition, Neptune converted its preferred Class B and Class C shares of Acasti into Common Shares on a one-to-one basis in connection with the initial listing of the Common Shares on the TSXV.

*Fiscal Year Ended February 29, 2012*

On March 31, 2011, the Common Shares were listed for trading on the TSXV under the ticker symbol “APO”.

During the fiscal year ended February 29, 2012, Acasti initiated two Phase II open label clinical trials in Canada; (i) the TRIFECTA trial for which the first patients were enrolled in October 2011, and (ii) the COLT trial, for which the first patients were enrolled in December 2011. See “Acasti’s Business – Acasti’s Clinical and Nonclinical Experience.”

During the same period, Acasti made significant progress in its nonclinical IND-enabling program for CaPre®. This program allows Acasti to accumulate, as per FDA and Health Canada guidelines, the required animal data demonstrating the safety of CaPre®. By means of its nonclinical research and development program, Acasti reported nonclinical results indicating that CaPre® performed effectively on overall lipid management, specifically reduction of triglycerides.

On September 14, 2011, Acasti closed a rights offering pursuant to which holders of its Common Shares subscribed for 6,445,444 Common Shares at a price of $1.25 per share, representing aggregate net proceeds of $7,850,000 for the Corporation.

On February 13, 2012, Acasti completed a private placement pursuant to which Dr. Harlan Waksal, Acasti’s Executive Vice-President, Business & Scientific Affairs, and Neptune subscribed for an aggregate of 1,500,000 Common Shares and 750,000 warrants to purchase Common Shares exercisable at a price of $1.50 per share for a period of three (3) years, for aggregate net proceeds of $1,979,000.

*Fiscal Year Ended February 28, 2013*

On January 7, 2013, the Common Shares were listed for trading on the NASDAQ under the ticker symbol “ACST”.

On November 8, 2012, Neptune reported an explosion and fire destroyed its production plant located in Sherbrooke, Québec, Canada. Acasti announced that its day-to-day operations and business were not interrupted as a result of this tragic event and that all CaPre® materials required for its two Phase II clinical trials had already been produced and stored in other facilities outside Neptune’s affected plant. See “Risk Factors – Risks Related to the Company - Risks Related to the Corporation’s Supply of Krill and Krill Oil.”

On December 4, 2012, the Corporation announced that it entered into a prepayment agreement with Neptune pursuant to which the Corporation exercised its option to prepay all future royalties under the license granted by Neptune to Acasti. The value of the prepayment, determined with the assistance of outside valuations specialists, using the pre-established formula set forth in the license agreement, amounts to approximately $15.5 million, which Acasti will pay through the issuance of 6,750,000 Common Shares, issuable at a price of $2.30 per share, upon the exercise of a warrant delivered to Neptune. The prepayment and the issuance of the Common Shares to Neptune are subject to the final approval of the TSXV and the approval of the disinterested shareholders of the Corporation at its next annual meeting, which is scheduled to occur on June 27, 2013.

**Recent Developments**

On March 19, 2013, Acasti announced preliminary clinical data from its COLT trial. Acasti expects the completion of the COLT trial, including the complete evaluation of CaPre® on the lipid profile of the enrolled patient population, by the end of September 2013 and expects the completion of the TRIFECTA trial in the first half of 2014. Following the completion of the Phase II COLT trial, if successful, and in parallel with the ongoing Phase II TRIFECTA trial, in Canada, Acasti intends to file an IND submission to conduct Phase III clinical trials, and likely a pharmacokinetic study (which may be required by the FDA), for CaPre® in the United States under the guidelines and rules of the FDA. “See Acasti’s Business – Acasti’s Clinical and Nonclinical Experience”.

## RISK FACTORS

*Investing in the Common Shares involves a high degree of risk. Prospective and current investors should carefully consider the following risks and uncertainties, together with all other information in this AIF, as well as the Corporation's financial statements and related notes and MD&A. Any of the risk factors described below could adversely affect Acasti's business, financial condition or results of operations. The market price of the Common Shares could decline significantly if one or more of these risks or uncertainties actually occur. The risks below are not the only ones Acasti's faces. Additional risks that Acasti currently does not know about or that Acasti currently believes to be immaterial may also impair its business. Certain statements below are forward-looking information. See "Cautionary Note Regarding Forward-Looking Information".*

**Risks Related to Product Development, Regulatory Approval and Commercialization**

***The Corporation's prospects currently depend entirely on the success of CaPre®, which is still in clinical development, and the Corporation may not be able to generate revenues from CaPre®.***

The Corporation has no prescription drug products that have been approved by the FDA, Health Canada or any similar regulatory authority. The Corporation's only prescription drug candidate is CaPre®, for which the Corporation has not yet filed an NDA, and for which the Corporation must still initiate Phase III clinical trials, undergo further development activities and seek and receive regulatory approval prior to commercial launch, which the Corporation does not anticipate will occur until 2016 at the earliest. The Corporation does not have any other prescription drug candidates in development and, therefore, the Corporation's business prospects currently depend entirely on the successful development, regulatory approval and commercialization of CaPre®, which may never occur. Most prescription drug candidates never reach the clinical development stage and even those that do reach clinical development have only a small chance of successfully completing clinical development and gaining regulatory approval. If the Corporation is unable to successfully commercialize CaPre® for the prevention and treatment of hypertriglyceridemia or severe hypertriglyceridemia, it may never generate meaningful revenues. In addition, if CaPre® reaches commercialization and there is low market demand for CaPre® or the market for CaPre® develops less rapidly than the Corporation anticipates, the Corporation may not have the ability to shift its resources to the development of alternative products.

***The Corporation may not be able to obtain required regulatory approvals for CaPre®.***

The research, testing, manufacturing, labeling, packaging, storage, approval, sale, marketing, advertising and promotion, pricing, export, import and distribution of prescription drug products are subject to extensive regulation by the FDA and other regulatory authorities in the United States and other countries and those regulations differ from country to country. Acasti is not permitted to market CaPre® in the United States until it receives approval of an NDA from the FDA and similar restrictions apply in other countries. In the United States, the FDA generally requires the completion of preclinical testing and clinical trials of each drug to establish its safety and efficacy and extensive pharmaceutical development to ensure its quality before an NDA is approved. Regulatory authorities in other jurisdictions impose similar requirements. Of the large number of drugs in development, only a small percentage result in the submission of an NDA to the FDA and even fewer are approved for commercialization. To date, the Corporation has not submitted an NDA for CaPre® to the FDA or comparable applications to other regulatory authorities. If the Corporation's development efforts for CaPre®, including its planned Phase III clinical trials, are not successful for the prevention and treatment of hypertriglyceridemia or severe hypertriglyceridemia, and regulatory approval is not obtained in a timely fashion or at all, the Corporation's business will be materially adversely affected.

The receipt of required regulatory approvals for CaPre® is uncertain and subject to a number of risks, including the following:

- the FDA or comparable foreign regulatory authorities or IRBs may disagree with the design or implementation of the Corporation's clinical trials;

- the Corporation may not be able to provide acceptable evidence of the safety and efficacy of CaPre®;

- the results of the Corporation's clinical trials may not meet the level of statistical or clinical significance required by the FDA or other regulatory agencies for marketing approval;

- the dosing of CaPre® in a particular clinical trial may not be at an optimal level;

- patients in the Corporation's clinical trials may suffer adverse effects for reasons that may or may not be related to CaPre®;

- the data collected from the Corporation's clinical trials may not be sufficient to support the submission of an NDA for CaPre® or to obtain regulatory approval for CaPre® in the United States or elsewhere;

- the FDA or comparable foreign regulatory authorities may not approve the manufacturing processes or facilities of third-party manufacturers with which the Corporation contracts for clinical and commercial supplies; and

- the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering the Corporation's clinical data insufficient for approval.

The FDA and other regulators have substantial discretion in the approval process and may refuse to accept any application or may decide that the Corporation's data is insufficient for approval and require additional clinical trials, or preclinical or other studies. In addition, varying interpretations of the data obtained from preclinical studies and clinical trials could delay, limit or prevent regulatory approval of CaPre®. In addition, the process of obtaining regulatory approvals is expensive, often takes many years, if approval is obtained at all, and can vary substantially based upon, among other things, the type, complexity and novelty of the prescription drug candidates involved, the jurisdiction in which regulatory approval is sought and the substantial discretion of the regulatory authorities. Changes in the regulatory approval policy during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for a submitted product application may cause delays in the approval or rejection of an application. If regulatory approval is obtained in one jurisdiction, that does not necessarily mean that CaPre® will receive regulatory approval in all jurisdictions in which the Corporation may seek approval. The failure to obtain approval for CaPre® in one or more jurisdictions may negatively impact the Corporation's ability to obtain approval in a different jurisdiction. A failure to obtain regulatory marketing approval for CaPre® in any indication would prevent the Corporation from commercializing CaPre®, and the Corporation's ability to generate revenue would be materially impaired.

***The Corporation may be unable to develop alternative product candidates.***

To date, the Corporation has not commercialized any prescription drug candidates and does not have any other compounds in clinical trials, nonclinical testing, lead optimization or lead identification stages besides CaPre®. The Corporation cannot be certain that CaPre® will prove to be sufficiently effective and safe to meet applicable regulatory standards for any indication. If the Corporation fails to successfully commercialize CaPre® as a treatment for hypertriglyceridemia and severe hypertriglyceridemia, or any other indication, whether as a stand-alone therapy or in combination with other treatments, the Corporation would have to develop, acquire or license alternative product candidates or drug compounds to expand its product candidate pipeline beyond CaPre®. In such a scenario, the Corporation may not be able to identify, and acquire product candidates that prove to be successful products, or to acquire them on terms that are acceptable to the Corporation.

***Even if the Corporation receives regulatory approval for CaPre®, the Corporation still may not be able to successfully commercialize it and the revenue that the Corporation generates from its sales, if any, may be limited.***

The commercial success of CaPre® in any indication for which the Corporation obtains marketing approval from the FDA or other regulatory authorities will depend upon its acceptance by the medical community, including physicians, patients and health insurance providers. The degree of market acceptance of CaPre® will depend on a number of factors, including:

- demonstration of clinical safety and efficacy of prescription omega-3 products generally;
- relative convenience, pill burden and ease of administration;
- the prevalence and severity of any adverse side effects;
- the willingness of physicians to prescribe CaPre® and of the target patient population to try new therapies;
- efficacy of CaPre® compared to competing products, including omega-3 dietary supplements;
- the introduction of any new products, including generic prescription omega-3 products, that may in the future become available to treat indications for which CaPre® may be approved;
- new procedures or methods of treatment that may reduce the incidences of any of the indications for which CaPre® shows utility;
- pricing;
- the inclusion of prescription omega-3 products in applicable treatment guidelines;
- the effectiveness of the Corporation's or any future collaborators' sales and marketing strategies;
- limitations or warnings contained in FDA-approved labeling;
- the Corporation's ability to obtain and maintain sufficient third-party coverage or reimbursement from government health care programs, including Medicare and Medicaid, private health insurers and other third-party payors; and
- the willingness of patients to pay out-of-pocket in the absence of third-party coverage or reimbursement.

In addition, even if the Corporation obtains regulatory approvals, the timing or scope or conditions of any approvals may prohibit or reduce the Corporation's ability to commercialize CaPre® successfully. For example, if the approval process takes too long, the Corporation may miss market opportunities and give other companies the ability to develop competing products or establish market dominance. Any regulatory approval the Corporation ultimately obtains may be limited or subject to restrictions or post-approval commitments that render CaPre® not commercially viable. For example, regulatory authorities may not approve the price the Corporation intends to charge for CaPre®, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve CaPre® with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that indication. Any of the foregoing scenarios could have a material adverse effect on the commercial prospects for CaPre®. If CaPre® is approved, but does not achieve an adequate level of acceptance by

physicians, health insurance providers and patients, the Corporation may not generate sufficient revenue and the Corporation may not be able to ever achieve profitability.

***The Corporation faces competition from other biotechnology and pharmaceutical companies and its operating results will suffer if the Corporation fails to compete effectively.***

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. The Corporation's potential competitors both in the United States and globally include large, well-established pharmaceutical companies, specialty pharmaceutical sales and marketing companies and specialized cardiovascular treatment companies. Many of these competitors have substantially greater name recognition, commercial infrastructures and financial, technical and personnel resources than the Corporation. These companies include GlaxoSmithKline plc, which currently markets Lovaza, a prescription omega-3 for patients with severe hypertriglyceridemia, and Abbott Laboratories, which currently markets Tricor and Trilipix (both fibrates) and Niaspan (niacin) for treatment of severe hypertriglyceridemia and high triglycerides, and Amarin Corporation, which currently markets Vascepa, an ethyl-ester form of EPA, for the treatment of patients with severe hypertriglyceridemia. In addition, Acasti is aware of other pharmaceutical companies that are developing products that, if approved, would compete with CaPre®. These include a free fatty acid form of omega-3 (comprised of 55% EPA and 20% DHA) being developed by Omthera Pharmaceuticals, which in April 2012 announced its top-line Phase 3 clinical trial results and indicated that it plans to submit an NDA during 2013 for the treatment of hypertriglyceridemia. CaPre® may also compete with omega-3 dietary supplements that are available without a prescription. These established competitors and others may invest heavily to quickly discover and develop novel compounds that could make CaPre® obsolete or uneconomical. CaPre® may need to demonstrate compelling comparative advantages in efficacy, convenience, tolerability and safety to be commercially successful. Other competitive factors, including generic drug competition, could force the Corporation to lower prices or could result in reduced sales. In addition, new products developed by others could emerge as competitors to CaPre®. If the Corporation is not able to compete effectively against its current and future competitors, its business will not grow and its financial condition and operations will suffer.

***CaPre®, if approved, would be subject to competition from products for which no prescription is required.***

If approved by applicable regulatory authorities, CaPre® will be a prescription-only omega-3. Mixtures of omega-3 fatty acids are naturally occurring substances in various foods, including fatty fish. Omega-3 fatty acids are also marketed by others as dietary supplements. Dietary supplements may generally be marketed without a lengthy FDA premarket review and approval process and are not subject to prescription. However, unlike prescription drug products, manufacturers of dietary supplements may not make therapeutic claims for their products; dietary supplements may be marketed with claims describing how the product affects the structure or function of the body without premarket approval, but may not expressly or implicitly represent that the dietary supplement will diagnose, cure, mitigate, treat, or prevent disease. The Corporation believes the pharmaceutical-grade purity of CaPre® has a superior therapeutic profile to naturally occurring omega-3 fatty acids and the omega-3 in commercially available dietary supplements. However, the Corporation cannot be certain that physicians or consumers will view CaPre® as superior. To the extent the price of CaPre® is significantly higher than the prices of commercially available omega-3 fatty acids marketed by other companies as dietary supplements, physicians may recommend these commercial alternatives instead of CaPre® or patients may elect on their own to take commercially available non-prescription omega-3 fatty acids. Either of these outcomes may adversely impact the Corporation's results of operations by limiting how the Corporation prices CaPre® and limiting the revenue the Corporation receives from the sale of CaPre®.

***Even if the Corporation obtains marketing approval for CaPre®, the Corporation will be subject to ongoing obligations and continued regulatory review, which may result in significant additional expense.***

Even if the Corporation obtains U.S. regulatory approval for CaPre® for the prevention and treatment of hypertriglyceridemia or severe hypertriglyceridemia, which would not occur until the Corporation successfully completes Phase III clinical trials, the FDA may still impose significant restrictions on its indicated uses or marketing or the conditions of approval, or impose ongoing requirements for potentially costly and time-consuming post-approval studies, including Phase IV clinical trials or clinical outcome studies, and post-market surveillance to

monitor the safety and efficacy of CaPre®. Even if the Corporation secures U.S. regulatory approval, the Corporation would continue to be subject to ongoing regulatory requirements related to CaPre® governing manufacturing, labeling, packaging, storage, distribution, safety surveillance, advertising, promotion, recordkeeping and reporting of adverse events and other post-market information. These requirements include registration with the FDA, as well as continued compliance with cGCPs, for any clinical trials that the Corporation conducts post-approval. In addition, manufacturers of drug products and their facilities are subject to continual review and periodic inspections by the FDA and other regulatory authorities for compliance with cGMP, requirements relating to quality control, quality assurance and corresponding maintenance of records and documents.

If the Corporation or a regulatory agency discovers previously unknown problems with a product, such as adverse events of unanticipated severity or frequency, problems with the facility where the product is manufactured, or the Corporation or its manufacturers fail to comply with applicable regulatory requirements, the Corporation may be subject to the following administrative or judicial sanctions:

- restrictions on the marketing or manufacturing of the product, withdrawal of the product from the market, or voluntary or mandatory product recalls;
- issuance of warning letters or untitled letters;
- clinical holds;
- injunctions or the imposition of civil or criminal penalties or monetary fines;
- suspension or withdrawal of regulatory approval;
- suspension of any ongoing clinical trials;
- refusal to approve pending applications or supplements to approved applications filed by the Corporation, or suspension or revocation of product license approvals;
- suspension or imposition of restrictions on operations, including costly new manufacturing requirements; or
- product seizure or detention or refusal to permit the import or export of product.

The occurrence of any event or penalty described above may inhibit the Corporation's ability to commercialize CaPre® and generate revenue. Adverse regulatory action, whether pre- or post-approval, can also potentially lead to product liability claims and increase the Corporation's product liability exposure. See "Business – Government Regulations."

***Recently enacted and future legislation may increase the difficulty and cost for the Corporation to obtain marketing approval of and commercialize CaPre® and affect the prices the Corporation may obtain.***

In the United States and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval for CaPre®, restrict or regulate post-approval activities and affect the Corporation's ability to profitably sell CaPre®. Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. The Corporation does not know whether additional legislative changes will be enacted, or whether the FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals of CaPre®, if any, may be. In addition, increased scrutiny by the

U.S. Congress of the FDA's approval process may significantly delay or prevent marketing approval, as well as subject the Corporation to more stringent product labeling and post-marketing testing and other requirements.

In the United States, the Medicare Modernization Act, or MMA, changed the way Medicare covers and pays for pharmaceutical products. The legislation expanded Medicare coverage for drug purchases by the elderly and introduced a new reimbursement methodology based on average sales prices for drugs. In addition, this legislation authorized Medicare Part D prescription drug plans to use formularies where they can limit the number of drugs that will be covered in any therapeutic class. As a result of this legislation and the expansion of federal coverage of drug products, the Corporation expects that there will be additional pressure to contain and reduce costs. These cost reduction initiatives and other provisions of this legislation could decrease the coverage and price that the Corporation receives for CaPre® and could seriously harm its business. While the MMA applies only to drug benefits for Medicare beneficiaries, private health insurance companies often follow Medicare coverage policy and payment limitations in setting their own reimbursement rates, and any reduction in reimbursement that results from the MMA may result in a similar reduction in payments from private health insurance companies.

In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act of 2010 or, collectively, the Health Care Reform Law, a sweeping law intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for healthcare and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms. Effective October 1, 2010, the Health Care Reform Law revised the definition of "average manufacturer price" for reporting purposes, which could increase the amount of Medicaid drug rebates to states. Further, the new law imposed a significant annual fee on companies that manufacture or import branded prescription drug products. Substantial new provisions affecting compliance have also been enacted, which may possibly require the Corporation to modify its business practices with healthcare practitioners.

Despite initiatives to invalidate the Health Care Reform Law, the U.S. Supreme Court has upheld certain key aspects of the legislation, including the requirement that all individuals maintain health insurance coverage or pay a penalty, referred to as the individual mandate. Although there are legal challenges to the Health Care Reform Law in lower courts on other grounds, at this time it appears the implementation of the Health Care Reform Law will continue. The Corporation will not know the full effects of the Health Care Reform Law until applicable federal and state agencies issue regulations or guidance under the new law. Although it is too early to determine the effect of the Health Care Reform Law, the new law appears likely to continue the pressure on pharmaceutical pricing, especially under the Medicare program, and may also increase the Corporation's regulatory burdens and operating costs. The Corporation expects that additional federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, and in turn could significantly reduce the projected value of certain development projects and reduce the Corporation's ability to achieve profitability.

***If the Corporation markets CaPre® in a manner that violates healthcare fraud and abuse laws, or if the Corporation violates government price reporting laws, the Corporation may be subject to civil or criminal penalties.***

In addition to FDA restrictions on marketing of pharmaceutical products, several other types of federal and state healthcare fraud and abuse laws have been applied in recent years to restrict certain marketing practices in the pharmaceutical industry. These laws include the U.S. Anti-Kickback Statute, U.S. False Claims Act and similar state laws. Because of the breadth of these laws and the narrowness of the safe harbors, it is possible that some of the Corporation's business activities could be subject to challenge under one or more of these laws.

The U.S. Anti-Kickback Statute prohibits, among other things, knowingly and willfully offering, paying, soliciting or receiving remuneration to induce, or in return for, purchasing, leasing, ordering or arranging for the purchase, lease or order of any healthcare item or service reimbursable under Medicare, Medicaid or other federally financed healthcare programs. This statute has been interpreted broadly to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, dispensers, purchasers and formulary managers on the other. Although there are several statutory exemptions and regulatory safe harbors protecting certain common

activities from prosecution, the exemptions and safe harbors are drawn narrowly, and practices that involve remuneration intended to induce prescribing, purchasing or recommending drugs reimbursable under federal healthcare programs may be subject to scrutiny if they do not qualify for an exemption or safe harbor. The Corporation's practices may not, in all cases, meet all of the criteria for safe harbor protection from anti-kickback liability. Moreover, recent health care reform legislation has strengthened these laws. For example, the Health Care Reform Law, among other things, amends the intent requirement of the U.S. Anti-Kickback Statute and criminal health care fraud statutes; a person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it. In addition, the Health Care Reform Law provides that the government may assert that a claim including items or services resulting from a violation of the U.S. Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the U.S. False Claims Act. Federal false claims laws prohibit any person from knowingly presenting, or causing to be presented, a false claim for payment to the federal government or knowingly making, or causing to be made, a false statement to get a false claim paid.

Over the past few years, a number of pharmaceutical and other healthcare companies have been prosecuted under these laws for a variety of alleged promotional and marketing activities, such as: allegedly providing free trips, free goods, sham consulting fees and grants and other monetary benefits to prescribers; reporting to pricing services inflated average wholesale prices that were then used by federal programs to set reimbursement rates; engaging in off-label promotion that caused claims to be submitted to Medicaid for non-covered, off-label uses; and submitting inflated best price information to the Medicaid Rebate Program to reduce liability for Medicaid rebates. Most states also have statutes or regulations similar to the U.S. Anti-Kickback Statute and the U.S. False Claims Act, which apply to items and services reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payor. Sanctions under these federal and state laws may include civil monetary penalties, exclusion of a manufacturer's products from reimbursement under government programs, criminal fines and imprisonment. Settlements of government litigation may include Corporate Integrity Agreements with commitments for monitoring, training, and reporting designed to prevent future violations.

***Third-party coverage and reimbursement and health care cost containment initiatives and treatment guidelines may constrain the Corporation's future revenues.***

The Corporation's ability to successfully market CaPre® will depend in part on the level of reimbursement that government health administration authorities, private health coverage insurers and other organizations provide for the cost of the Corporation's products and related treatments. Countries in which CaPre® may in the future be sold through reimbursement schemes under national health insurance programs frequently require that manufacturers and sellers of pharmaceutical products obtain governmental approval of initial prices and any subsequent price increases. In certain countries, including the United States, government-funded and private medical care plans can exert significant indirect pressure on prices. The Corporation may not be able to sell CaPre® profitably if its prices are not approved or coverage and reimbursement is unavailable or limited in scope. Increasingly, third-party payors attempt to contain health care costs in ways that are likely to impact the Corporation's development of products including:

- not approving the prices charged for health care products;
- limiting both coverage and the amount of reimbursement for new therapeutic products;
- denying or limiting coverage for products that are approved by the regulatory agencies but are considered to be experimental or investigational by third-party payors; and
- refusing to provide coverage when an approved product is used in a way that has not received regulatory marketing approval.

***Termination or suspension of, or delays in the commencement or completion of, any necessary future studies of CaPre® for any indications could occur.***

The commencement and completion of clinical studies for CaPre®, including the Corporation's ongoing TRIFECTA and COLT Phase II clinical trials in Canada, can be delayed for a number of reasons, including delays related to:

- the FDA, Health Canada or similar regulatory authorities not granting permission to proceed and placing the clinical study on hold;
- subjects failing to enroll or remain in the Corporation's trials at the rate the Corporation expects;
- a facility manufacturing CaPre® being ordered by the FDA or other government or regulatory authorities to temporarily or permanently shut down due to violations of cGMP requirements or other applicable requirements, or cross-contaminations of product candidates in the manufacturing process;
- any changes to the Corporation's manufacturing process that may be necessary or desired;
- subjects choosing an alternative treatment for the indications for which the Corporation is developing CaPre®, or participating in competing clinical studies;
- subjects experiencing severe or unexpected drug-related adverse effects;
- reports from clinical testing on similar technologies and products raising safety and/or efficacy concerns;
- third-party clinical investigators losing their license or permits necessary to perform the Corporation's clinical trials, not performing the Corporation's clinical trials on their anticipated schedule or employing methods not consistent with the clinical trial protocol, cGMP requirements, or other third parties not performing data collection and analysis in a timely or accurate manner;
- inspections of clinical study sites by the FDA, Health Canada or similar regulatory authorities or IRBs finding regulatory violations that require the Corporation to undertake corrective action, result in suspension or termination of one or more sites or the imposition of a clinical hold on the entire study, or that prohibit the Corporation from using some or all of the data in support of its marketing applications;
- third-party contractors becoming debarred or suspended or otherwise penalized by the FDA, Health Canada or other government or regulatory authorities for violations of regulatory requirements, in which case the Corporation may need to find a substitute contractor, and the Corporation may not be able to use some or any of the data produced by such contractors in support of its marketing applications;
- one or more IRBs refusing to approve, suspending or terminating the study at an investigational site, precluding enrollment of additional subjects, or withdrawing its approval of the trial; reaching agreement on acceptable terms with prospective CRO and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;

- deviations of the clinical sites from trial protocols or dropping out of a trial;
- the addition of new clinical trial sites; and
- the inability of the CRO to execute any clinical trials for any reason.

Product development costs for CaPre® will increase if the Corporation has delays in testing or approval or if the Corporation needs to perform more or larger clinical studies than planned. Additionally, changes in regulatory requirements and policies may occur and the Corporation may need to amend study protocols to reflect these changes. Amendments may require the Corporation to resubmit its study protocols to the FDA, Health Canada or similar regulatory authorities or IRBs for reexamination, which may impact the costs, timing or successful completion of that study. Any delays in completing the Corporation's clinical trials will increase its costs, slow down its development and approval process and jeopardize its ability to commence sales of CaPre® and generate revenues. Any of these occurrences may have a material adverse effect on the Corporation's business, financial condition and prospects.

***Clinical drug development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results.***

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. The results of preclinical studies and early clinical trials may not be predictive of the results of later-stage clinical trials. For example, the positive preliminary results generated to date in the Corporation's TRIFECTA and COLT Phase II clinical trials for CaPre® do not ensure that the final Phase II results or later clinical trials will produce similar results. The Corporation cannot assure you that the FDA will view the results as the Corporation does or that any future trials of CaPre® for other indications will achieve positive results. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and initial clinical trials. A number of companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. Any future clinical trial results for CaPre® may not be successful.

A number of factors could contribute to a lack of favorable safety and efficacy results for CaPre® for other indications. For example, such trials could result in increased variability due to varying site characteristics, such as local standards of care, differences in evaluation period, and due to varying patient characteristics including demographic factors and health status. There can be no assurance that the Corporation's clinical trials, including its TRIFECTA and COLT Phase II clinical trials, will demonstrate sufficient safety and efficacy for the FDA to approve CaPre® for the prevention and treatment of hypertriglyceridemia and severe hypertriglyceridemia, or any other indication that the Corporation may consider in any additional NDA submissions for CaPre®.

In addition, clinical trials and nonclinical studies performed by research organizations and other independent third parties may yield negative results regarding the effect of omega-3 fatty acids on cardiometabolic disorders and specifically hypertriglyceridemia and severe hypertriglyceridemia. For example, in May 2013, the New England Journal of Medicine published results on a study in which it concluded that a daily treatment of omega-3 fatty acids did not reduce the risk of cardiovascular events. The clinical trial consisted of the enrollment of 12,513 patients who were followed by a network of 860 general practitioners in Italy. Patients were randomly assigned to omega–3 fatty acids (1g daily) or placebo. Researchers reported that omega-3 fatty acid supplements did not reduce death from heart disease or heart attacks or strokes in the group and concluded that the intake of omega-3 fatty acids does not have any specific advantage in a population that is considered at high risk of cardiovascular disease. The New England Journal of Medicine study along with other future studies yielding similar results could have a negative impact on consumer perception and market acceptance of the efficacy of omega-3 fatty acids on cardiometabolic disorders, specifically the beneficial effect on triglyceride and cholesterol levels, and such impact may a material adverse effect on the Corporation's business.

***The Corporation relies on third parties to conduct its clinical trials for CaPre®.***

The Corporation has entered into agreements with a CRO to provide monitors for and to manage data for its ongoing clinical trials. The Corporation relies heavily on these parties for execution of clinical studies for CaPre® and controls only certain aspects of their activities. Nevertheless, the Corporation is responsible for ensuring that each of its studies is conducted in accordance with the applicable protocol, legal, regulatory and scientific standards, and the Corporation's reliance on CROs would not relieve it of its regulatory responsibilities. The Corporation and its CROs are required to comply with cGCPs, which are regulations and guidelines enforced by the FDA, Health Canada and comparable foreign regulatory authorities for any products in clinical development. The FDA enforces these cGCP regulations through periodic inspections of trial sponsors, principal investigators and trial sites. If the Corporation or its CROs fail to comply with applicable cGCPs, the clinical data generated in the Corporation's clinical trials may be deemed unreliable and the FDA, Health Canada or comparable foreign regulatory authorities may require the Corporation to perform additional clinical trials before approving the Corporation's marketing applications. The Corporation cannot assure you that, upon inspection, the FDA will determine that any of the Corporation's clinical trials comply with cGCPs. In addition, the Corporation's clinical trials must be conducted with products produced under cGMP regulations and require a large number of test subjects. The Corporation's failure or the failure of its CROs to comply with these regulations may require the Corporation to repeat clinical trials, which would delay the regulatory approval process and could also subject the Corporation to enforcement action up to and including civil and criminal penalties.

If any of the Corporation's relationships with these third-party CROs terminate, the Corporation may not be able to enter into arrangements with alternative CROs. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to the Corporation's clinical protocols, regulatory requirements or for other reasons, any such clinical trials may be extended, delayed or terminated, and the Corporation may not be able to obtain regulatory approval for or successfully commercialize CaPre®.

***The Corporation's supply of krill oil for commercial supply and clinical trials is dependent upon relationships with other third party manufacturers and key suppliers since Neptune's production plant was destroyed.***

The Corporation depends on krill oil sourced from third parties for the production of ONEMIA™ and CaPre®. The Corporation's reliance on third party suppliers of krill oil involves several risks, including potential fluctuations in supply and reduced control over production costs, delivery schedules and the quality of available krill oil. Until November 2012, Acasti purchased all of its supply of krill oil from its parent company, Neptune. On November 8, 2012, an explosion and fire destroyed Neptune's production plant located in Sherbrooke, Québec, Canada. Since the incident, Acasti is currently acquiring its krill oil through purchases in the open market in order to meet production requirements for ONEMIA™, and is also seeking a third party to both supply krill oil on an interim basis and provide manufacturing services for the production of CaPre® in accordance with cGMP regulations imposed by the FDA. However, the Corporation will have to source additional quantities of krill oil for the continued production of ONEMIA™ and its planned Phase III clinical trials for CaPre®, and, if regulatory approval is obtained, larger quantities for the commercialization and distribution of CaPre® than the Corporation is currently able to source. On May 28, 2013, Neptune announced it has commenced reconstruction of its production plant with an anticipated completion by or before its fiscal year ending February 28, 2014. Acasti intends to acquire its krill oil supply from Neptune upon the recommencement of krill oil production by Neptune. However, until the reconstruction of Neptune's production plant is completed, Acasti is seeking alternative suppliers of krill oil and may be required to pay higher prices for krill oil (in comparison to what it paid Neptune or what it pays currently), or it may be unable to acquire krill oil in sufficient quantities. Further, any alternative supply of krill oil may not be of comparable quality to that previously provided by Neptune which may impact the efficacy, or the markets' perception of the efficacy, of ONEMIA™ and CaPre®. Although a prospective new supplier of krill oil to the Corporation has been identified, Acasti cannot be certain that it will be able to contract with this third party supplier on acceptable terms or at all. Disruption to the Corporation's required quantities and quality of krill oil supplies would have a material adverse effect on Acasti's business and results of operations.

***The Corporation relies on third parties for the manufacturing, production and supply of CaPre® and ONEMIA® and may be adversely affected if those third parties are unable or unwilling to fulfill their obligations.***

The production of pharmaceutical products requires significant expertise and capital investment, including the development of advanced manufacturing techniques and process controls. Acasti does not own or operate manufacturing facilities for the production of CaPre® and ONEMIA®, nor does it have plans to develop its own manufacturing operations in the foreseeable future. Accordingly, the Corporation needs to rely on one or more third party manufacturers to produce and supply its required drug product for its nonclinical research and clinical trials for CaPre® and its commercial sales of ONEMIA®. The Corporation's reliance on third-parties to produce CaPre® and ONEMIA ® exposes Acasti to a number of risks. For example, Acasti may be subject to delays in or suspension of the production of CaPre® and ONEMIA® if a third-party manufacturer:

- becomes unavailable for any reason, including as a result of the failure to comply with good manufacturing practices, or GMP, regulations;

- experiences manufacturing problems or other operational failures, such as equipment failures or unplanned facility shutdowns required to comply with GMP or damage from any event, including fire, flood, earthquake, business restructuring or insolvency; or

- fails or refuses to perform its contractual obligations under its agreement with the Corporation, such as failing or refusing to deliver the quantities requested on a timely basis.

Until recently, the Corporation had contracted with one third party manufacturer in the United States to produce CaPre® for the Corporation's clinical trials and ONEMIA® for distribution and commercialization. However, the FDA requires manufacturers of drug products and their facilities to comply with cGMP, and other requirements relating to quality control, quality assurance and corresponding maintenance of records and documents. The Corporation has been advised that this manufacturer is not cGMP compliant and, as a result, the Corporation will need to identify and enter into an agreement with another manufacturer that complies with these FDA standards prior to initiating its planned Phase III clinical trials for CaPre®. The selection of a replacement third-party manufacturer could be time-consuming and costly since the Corporation will need to confirm that the manufacturing facility of such new third-party manufacturer complies with applicable FDA standards. In addition, the third-party manufacturer would have to familiarize itself with the production techniques for CaPre® and ONEMIA®. Any delay in finding an alternative third-party manufacturer of CaPre® could delay the initiation of the Corporation's planned Phase III clinical trials for CaPre, which could materially adversely affect Acasti's business prospects.

**Risks Relating to the Corporation's Intellectual Property Rights**

***It is difficult and costly to protect Acasti's intellectual property rights, and Acasti cannot ensure the protection of these rights.***

The Corporation's activities depend, in part, on its ability to (i) obtain and maintain patents, trade secret protection and operate without infringing the intellectual proprietary rights of third parties, (ii) successfully defend these patents (including patents owned by or licensed to the Corporation) against third-party challenges, and (iii) successfully enforce these patents against third party competitors. There is no assurance that the Corporation will be granted such patents and/or proprietary technology or that such granted patents and/or proprietary technology will not be circumvented through the adoption of a competitive, though non-infringing, process or product. The patent positions of pharmaceutical companies can be highly uncertain and involve complex legal, scientific and factual questions for which important legal principles remain unresolved. Changes in either the patent laws or in interpretations of patent laws may diminish the value of the Corporation's intellectual property. Accordingly, the Corporation cannot predict the breadth of claims that may be allowable or enforceable in its patents (including patents owned by or licensed to the Corporation). Failure to protect the Corporation's existing and future intellectual property rights could seriously harm its business and prospects and may result in the loss of its ability to exclude others from using the Corporation's technology or its own right to use the technologies. If the Corporation does not

adequately ensure the right to use certain technologies, it may have to pay others for the right to use their intellectual property, pay damages for infringement or misappropriation and/or be enjoined from using such intellectual property. The Corporation's patents do not guarantee the right to use the technologies if other parties own intellectual property rights that are necessary in order to use such technologies. The Corporation's and Neptune's patent position is subject to complex factual and legal issues that may give rise to uncertainty as to the validity, scope and enforceability of a particular patent.

In any case, there can be no assurance that:

- any rights under Canadian, U.S. or foreign patents owned by the Corporation or other patents that Neptune and other third parties license to the Corporation will not be curtailed;
- the Corporation was the first inventor of inventions covered by its issued patents or pending applications or that the Corporation was the first to file patent applications for such inventions;
- the Corporation's pending or future patent applications will be issued with the breadth of claim coverage sought by the Corporation, or be issued at all;
- the Corporation's competitors will not independently develop or patent technologies that are substantially equivalent or superior to the Corporation's technologies;
- any of the Corporation's trade secrets will not be learned independently by its competitors; or
- the steps the Corporation takes to protect its intellectual property will be adequate.

In addition, effective patent, trademark, copyright and trade secret protection may be unavailable, limited or not sought in certain foreign countries.

The Corporation also seeks to protect its proprietary intellectual property, including intellectual property that may not be patented or patentable, in part by confidentiality agreements and, if applicable, inventors' rights agreements with its strategic partners and employees. There can be no assurance that these agreements will not be breached, that the Corporation will have adequate remedies for any breach or that such persons or institutions will not assert rights to intellectual property arising out of these relationships. The cost of enforcing the Corporation's patent rights or defending rights against infringement charges by other patent holders may be significant and could limit operations. The Corporation intends to vigorously enforce and protect its intellectual property.

The degree of future protection for the Corporation's proprietary rights is uncertain, because legal means afford only limited protection and may not adequately protect the Corporation's rights, permit it to gain or keep its competitive advantage, or provide it with any competitive advantage at all. The Corporation cannot be certain that any patent application owned by a third party will not have priority over patent applications filed or in-licensed by the Corporation, or that the Corporation or its licensor will not be involved in interference, opposition or invalidity proceedings before U.S., Canadian or foreign patent offices.

The Corporation depends on Neptune to protect a significant portion of its proprietary rights that derive from the Corporation's license agreement with Neptune. Neptune may be primarily or wholly responsible for the maintenance of patents and prosecution of the licensed patent applications relating to important areas of the Corporation's business. If Neptune fails to adequately maintain, prosecute or protect these patents or patent applications, the Corporation may have the right to take further action on its own to protect its technology. However, the Corporation may not be successful or have adequate resources to do so. Any failure by Neptune or by the Corporation to protect its intellectual property rights could significantly harm the Corporation's business and prospects.

The Corporation also relies on trade secrets to protect its technology, especially in cases when the Corporation believes patent protection is not appropriate or obtainable. However, trade secrets are difficult to

protect. If the Corporation cannot maintain the confidentiality of its proprietary and licensed technology and other confidential information, the Corporation's ability and that of its licensor to receive patent protection and its ability to protect valuable information owned or licensed by the Corporation may be imperiled. Enforcing a claim that a third-party entity illegally obtained and is using any of the Corporation's trade secrets is expensive and time consuming, and the outcome is unpredictable. Moreover, the Corporation's competitors may independently develop equivalent knowledge, methods and know-how. If the Corporation fails to obtain or maintain patent protection or trade secret protection for CaPre®, ONEMIA® or the Corporation's technologies, third parties could use the Corporation's proprietary information, which could impair its ability to compete in the market and adversely affect its ability to generate future revenues and attain profitability.

***CaPre® is covered by patents that are not owned by the Corporation but are instead licensed to the Corporation by Neptune.***

In addition to its proprietary patent applications, the Corporation has an exclusive worldwide license under certain patents and know-how to develop and commercialize CaPre® within a specified field of use pursuant to a license agreement with Neptune. The limitation on the Corporation's field of use may prevent it from developing and commercializing CaPre® in other fields. Additionally, the Corporation's license is subject to termination for breach of its terms, and therefore its rights may only be available to it for as long as Neptune agrees that the Corporation's development and commercialization activities are sufficient to meet the terms of the license. If this license is terminated for any reason and the Corporation is not able to negotiate another agreement with Neptune for use of its patents and know-how, the Corporation will not be able to manufacture and market CaPre®, which would have a material adverse affect on its business and financial condition. See "Business – Intellectual Property – Patents and Licensed Rights."

***CaPre® may infringe the intellectual property rights of others, which could increase the Corporation's costs and delay or prevent the Corporation's development and commercialization efforts.***

The Corporation's success depends in part on avoiding infringement of the proprietary technologies of others. The pharmaceutical industry has been characterized by frequent litigation regarding patent and other intellectual property rights. Identification of third party patent rights that may be relevant to the Corporation's proprietary or licensed technology is difficult because patent searching is imperfect due to differences in terminology among patents, incomplete databases and the difficulty in assessing the meaning of patent claims. Additionally, because patent applications are maintained in secrecy until the application is published, the Corporation may be unaware of third-party patents that may be infringed by the development and commercialization of CaPre® or any other future prescription drug candidate. There may be certain issued patents and patent applications claiming subject matter that the Corporation's licensor or the Corporation may be required to license in order to research, develop or commercialize CaPre®, and the Corporation cannot be certain whether such patents and patent applications would be available to license on commercially reasonable terms, or at all. Any claims of patent infringement asserted by third parties would be time-consuming and may:

- result in costly litigation;
- divert the time and attention of the Corporation's technical personnel and management;
- cause product development or commercialization delays, including delays in clinical trials for CaPre®;
- prevent the Corporation from commercializing CaPre® until the asserted patent expires or is held finally invalid or not infringed in a court of law;
- require the Corporation to cease or modify its use of the technology and/or develop non-infringing technology; or
- require the Corporation to enter into royalty or licensing agreements.

Others may hold proprietary rights that could prevent CaPre® from being marketed. Any patent-related legal action against the Corporation claiming damages and seeking to enjoin commercial activities relating to CaPre® or the Corporation's processes could subject the Corporation to potential liability for damages and require the Corporation to obtain a license to continue to manufacture or market CaPre® or any other future prescription drug candidates. The Corporation cannot predict whether the Corporation would prevail in any such actions or that any license required under any of these patents would be made available on commercially acceptable terms, if at all. In addition, the Corporation cannot be sure that it could redesign CaPre® or any other future product candidates or processes to avoid infringement, if necessary. Accordingly, an adverse determination in a judicial or administrative proceeding, or the failure to obtain necessary licenses, could prevent the Corporation from developing and commercializing CaPre® or any other future product candidate, which could harm the Corporation's business, financial condition and operating results.

A number of companies, including several major pharmaceutical companies, have conducted research on pharmaceutical uses of omega-3 fatty acids, which has resulted in the filing of many patent applications related to this research. The Corporation is aware of third-party U.S., Canadian or other foreign patents that contain broad claims related to methods of using these general types of compounds, which may be construed to include potential uses of CaPre® or any future product candidates. If the Corporation were to challenge the validity of these or any other issued U.S, Canadian or other foreign patents in court, the Corporation would need to overcome a statutory presumption of validity that attaches to every U.S. and Canadian patent. This means that, in order to prevail, the Corporation would have to present clear and convincing evidence as to the invalidity of the other party's patent's claims. If the Corporation were to challenge the validity of any issued U.S. patent in an administrative trial before the Patent Trial and Appeal Board in the U.S. Patent and Trademark Office, the Corporation would have to prove that the claims are unpatentable by a preponderance of the evidence. There is no assurance that a jury and/or court would find in the Corporation's favor on questions of infringement, validity or enforceability.

**General Risks Related to the Corporation**

***The Corporation may never become profitable or be able to sustain profitability.***

The Corporation is a clinical-stage biopharmaceutical company with a limited operating history. The likelihood of success of the Corporation's business plan must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with developing and expanding early-stage businesses and the regulatory and competitive environment in which the Corporation operates. Biopharmaceutical product development is a highly speculative undertaking, involves a substantial degree of risk and is a capital-intensive business. Therefore, the Corporation expects to incur expenses without any meaningful corresponding revenues unless and until it is able to obtain regulatory approval and subsequently sell CaPre® in significant quantities. The Corporation has been engaged in developing CaPre® since 2008. To date, the Corporation has not generated any revenue from CaPre®, and it may never be able to obtain regulatory approval for the marketing of CaPre® in any indication. Further, even if the Corporation is able to commercialize CaPre® or any other product candidate, there can be no assurance that the Corporation will generate significant revenues or ever achieve profitability. The Corporation's net loss for the fiscal year ended February 28, 2013 was approximately $6.9 million. As of February 28, 2013, the Corporation had an accumulated deficit of approximately $20.0 million.

If the Corporation obtains FDA approval, it expects that its expenses will increase as it prepares for the commercial launch of CaPre®. The Corporation also expects that its research and development expenses will continue to increase in the event it pursues FDA approval for CaPre® for other indications. As a result, the Corporation expects to continue to incur substantial losses for the foreseeable future, and these losses may be increasing. The Corporation is uncertain about when or if it will be able to achieve or sustain profitability. If the Corporation achieves profitability in the future, it may not be able to sustain profitability in subsequent periods. Failure to become and remain profitable would impair the Corporation's ability to sustain operations and adversely affect the price of the Common Shares and its ability to raise capital.

***The Corporation will require additional funding to continue as a going concern.***

The Corporation will require substantial additional funds to conduct further research and development, scheduled clinical testing, regulatory approvals and the commercialization of CaPre®. Based on the current status of the TRIFECTA and COLT Phase II clinical trials and assuming the research and development for both trials proceeds as planned, Acasti expects that research and development of CaPre® will take at least an additional 24 to 36 months and cost approximately $50.0 million. In addition to completing clinical trials, the Corporations expects that additional time and capital will be required to complete the filing of a NDA to obtain FDA approval for CaPre® in the United States and to complete marketing and other pre-commercialization activities. The Corporation's cash and short term investments were approximately $4.8 million as of February 28, 2013. Depending on the status of regulatory approval or, if approved, commercialization of CaPre®, the Corporation will most likely require additional capital to fund its operating needs.

The Corporation has incurred operating losses and negative cash flows from operations since inception. As at February 28, 2013, the Corporation's current liabilities and expected level of expenses in the research and development phase of its drug candidate significantly exceed current assets. The Corporation's liabilities at February 28, 2013 include amounts due to Neptune of approximately $1.7 million. The Corporation plans to rely on the continued support of Neptune to pursue its operations, including obtaining additional funding, if required. The continuance of this support is outside of the Corporation's control. If the Corporation does not receive the continued financial support from its parent or the Corporation does not raise additional funds through public or private equity or debt financing, joint venture arrangements, and collaborative arrangements with other pharmaceutical companies, and/or from other sources, it may not be able to realize its assets and discharge its liabilities in the normal course of business. There can be no assurance that any additional funding from Neptune or any other third party will be available on acceptable terms or at all to enable the Corporation to continue and complete the research and development of CaPre®. As a result, there exists a material uncertainty that casts substantial doubt about the Corporation's ability to continue as a going concern and, therefore, realize its assets and discharge its liabilities in the normal course of business.

Furthermore, if the Corporation is unable to secure sufficient capital to fund its operations, it may be forced to enter into strategic collaborations that could require the Corporation to share commercial rights to CaPre® with third parties in ways that the Corporation currently does not intend or on terms that may not be favorable to the Corporation.

***In order to establish the Corporation's sales and marketing infrastructure, the Corporation will need to expand the size of its organization, and the Corporation may experience difficulties in managing this growth.***

As of February 28, 2013, the Corporation had 10 employees in Canada, seven of whom have biology, chemistry, biochemistry or microbiology backgrounds and three of whom serve in general and administrative capacities. As the Corporation's development and commercialization plans and strategies develop, the Corporation expects that it will need to expand the size of its employee base for managerial, operational, sales, marketing, financial and other resources. Future growth would impose significant added responsibilities on members of management, including the need to identify, recruit, maintain, motivate and integrate additional employees. In addition, the Corporation's management may have to divert a disproportionate amount of its attention away from the Corporation's day-to-day activities and devote a substantial amount of time to managing these growth activities. The Corporation's future financial performance and its ability to commercialize CaPre® and any other future product candidates and its ability to compete effectively will depend, in part, on the Corporation's ability to effectively manage any future growth.

***If the Corporation is not successful in attracting and retaining highly qualified personnel, the Corporation may not be able to successfully implement its business strategy.***

The Corporation's ability to compete in the highly competitive pharmaceuticals industry depends in large part upon its ability to attract and retain highly qualified managerial, scientific and medical personnel. Competition for skilled personnel in the Corporation's market is intense and competition for experienced scientists may limit the

Corporation's ability to hire and retain highly qualified personnel on acceptable terms. The Corporation is highly dependent on its management, scientific and medical personnel. The Corporation's management team has substantial knowledge in many different aspects of drug development and commercialization. Despite the Corporation's efforts to retain valuable employees, members of its management, scientific and medical teams may terminate their employment with the Corporation on short notice or, potentially, without any notice at all. The loss of the services of any of the Corporation's executive officers or other key employees could potentially harm its business, operating results or financial condition. The Corporation's success may also depend on its ability to attract, retain and motivate highly skilled junior, mid-level, and senior managers and scientific personnel.

Other pharmaceutical companies with which the Corporation competes for qualified personnel have greater financial and other resources, different risk profiles, and a longer history in the industry than the Corporation does. They also may provide more diverse opportunities and better chances for career advancement. Some of these characteristics may be more appealing to high-quality candidates than what the Corporation has to offer. If the Corporation is unable to continue to attract and retain high-quality personnel, the rate and success at which the Corporation can develop and commercialize product candidates would be limited.

***If product liability lawsuits are brought against the Corporation, it may incur substantial liabilities and may be required to cease the sale, marketing and distribution of its products .***

The Corporation faces a potential risk of product liability as a result of its sales, marketing and distribution activities relating to ONEMIA® and any future commercialization of CaPre® or any other future product. For example, the Corporation may be sued if any product it develops allegedly causes injury or is found to be otherwise unsuitable during product testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability and a breach of warranties. Claims could also be asserted under U.S. state or Canadian provincial or other foreign consumer protection legislation. If the Corporation cannot successfully defend itself against product liability claims, it may incur substantial liabilities or be required to cease the sale, marketing and distribution of its products. Even successful defense against product liability claims would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for ONEMIA®, CaPre® or any future products that the Corporation may develop;
- injury to the Corporation's reputation;
- withdrawal of clinical trial participants;
- costs to defend the related litigation;
- a diversion of management's time and the Corporation's resources;
- substantial monetary awards to consumers, trial participants or patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue;
- the inability to commercialize CaPre®;
- the inability to continue the sale, marketing and distribution of ONEMIA ®; and
- a decline in the price of the Common Shares.

If the Corporation is unable to obtain and retain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims, the commercialization of products it develops could be hindered or prevented. The Corporation currently carries product liability insurance in the amount of $5.0 million in the aggregate. In addition, the Corporation currently carries liability insurance covering its clinical trials in the amount of $5.0 million in the aggregate. Although the Corporation maintains such insurance, any claim that may be brought

against the Corporation could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by the Corporation's insurance or that is in excess of the limits of the Corporation's insurance coverage. The Corporation's insurance policies also have various exclusions, and the Corporation may be subject to a product liability claim for which it has no coverage. In the event of a successful product liability claim against it, the Corporation may have to pay from its own resources any amounts awarded by a court or negotiated in a settlement that exceed its coverage limitations or that is not covered by the Corporation's insurance, and the Corporation may not have, or be able to obtain, sufficient capital to pay such amounts.

***The Corporation may acquire businesses or products or form strategic alliances in the future and the Corporation may not realize the benefits of such acquisitions.***

The Corporation may acquire additional businesses or products, form strategic alliances or create joint ventures with third parties that the Corporation believes will complement or augment its existing business. If the Corporation acquires businesses with promising markets or technologies, it may not be able to realize the benefit of acquiring such businesses if the Corporation is unable to successfully integrate them with its existing operations and company culture. The Corporation may encounter numerous difficulties in developing, manufacturing and marketing any new products resulting from a strategic alliance or acquisition that delay or prevent the Corporation from realizing their expected benefits.

***The Corporation may not achieve its publicly announced milestones on time.***

From time to time, the Corporation publicly announces the timing of certain events it expects to occur, such as the anticipated timing of results from its clinical trials. These statements are forward-looking and are based on the best estimate of management at the time relating to the occurrence of such events. However, the actual timing of such events may differ from what has been publicly disclosed. The timing of events such as completion of a clinical trial, discovery of a new product candidate, filing of an application to obtain regulatory approval, beginning of commercialization of certain products, or announcement of additional clinical trials for a product candidate may ultimately vary from what is publicly disclosed. For example, the Corporation cannot provide assurances that the TRIFECTA and COLT Phase II clinical trials in Canada will be completed on schedule or at all, that it will conduct Phase III clinical trials for CaPre®, that it will make regulatory submissions or receive regulatory approvals as planned, or that it will be able to adhere to plans for the scale-up of manufacturing and launch of any of its products. These variations in timing may occur as a result of different events, including the nature of the results obtained during a clinical trial or during a research phase, problems with a supplier or a distribution partner or any other event having the effect of delaying the publicly announced timeline. The Corporation undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing of previously announced milestones could have a material adverse effect on the Corporation's business plan, financial condition or operating results and the trading price of the Common Shares.

***The interests of the Corporation's controlling shareholder, which exerts significant influence over the Corporation, may conflict with the Corporation's interests and those of its public shareholders.***

The Corporation's parent company, Neptune, currently owns 57% of the issued and outstanding Common Shares. On December 4, 2012, Acasti exercised its option under its license agreement (subject to approval of the disinterested shareholders of Acasti at its next annual meeting, which is scheduled to occur on June 27, 2013) between Acasti and Neptune, to pay in advance all of the future royalties payable under the license agreement pursuant through the issuance of a warrant to Neptune to acquire up to 6,7500,000 additional Common Shares, which if fully exercised would increase Neptune's ownership of Common Shares to 61% (based on the number of Common Shares outstanding as of the date of this AIF). As its controlling shareholder, the interests of Neptune may conflict or even compete with the Corporation's interests and those of its other shareholders. As a result of its substantial ownership of the outstanding Common Shares, Neptune is able to influence or control matters requiring approval by the Corporation's shareholders, including the election of directors and the approval of mergers, acquisitions or other extraordinary transactions. Neptune may also have interests that differ from those of other Acasti shareholders and may vote in a way with which other shareholders may disagree and which may be adverse to their interests. This concentration of ownership may have the effect of delaying, preventing or deterring a change

of control of the Corporation, could deprive its shareholders of an opportunity to receive a premium for their shares as part of a sale of the Corporation, and might ultimately affect the market price of the Common Shares. Conversely, this concentration may facilitate a change in control at a time when other shareholders may prefer not to sell.

**Risks Related to the Corporation's Status as a Foreign Private Issuer/Emerging Growth Company**

***As a foreign private issuer, the Corporation is subject to different U.S. securities laws and regulations than a domestic U.S. issuer, which may limit the information publicly available to the Corporation's U.S. shareholders.***

The Corporation is a foreign private issuer under applicable U.S. federal securities laws, and therefore, it is not required to comply with all the periodic disclosure and current reporting requirements of the U.S. Securities and Exchange Act of 1934, as amended (the "**Exchange Act**"). As a result, the Corporation does not file the same reports that a U.S. domestic issuer would file with the SEC, although the Corporation is required to file with or furnish to the SEC the continuous disclosure documents that the Corporation is required to file in Canada under Canadian securities laws. In addition, the Corporation's officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions of Section 16 of the Exchange Act. Therefore, the Corporation's shareholders may not know on as timely a basis when the Corporation's officers, directors and principal shareholders purchase or sell common shares as the reporting periods under the corresponding Canadian insider reporting requirements are longer. In addition, as a foreign private issuer, the Corporation is exempt from the proxy rules under the Exchange Act.

***The Corporation may lose its foreign private issuer status in the future, which could result in significant additional costs and expenses to the Corporation.***

The Corporation may in the future lose its foreign private issuer status if a majority of the Common Shares are held in the United States and it fails to meet the additional requirements necessary to avoid loss of foreign private issuer status. The regulatory and compliance costs to the Corporation under U.S. federal securities laws as a U.S. domestic issuer would be significantly more than the costs the Corporation incurs as a Canadian foreign private issuer eligible to use MJDS. If the Corporation is not a foreign private issuer, it would not be eligible to use the MJDS or other foreign issuer forms and would be required to file periodic and current reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive than the forms available to a foreign private issuer. In addition, the Corporation may lose the ability to rely upon exemptions from NASDAQ corporate governance requirements that are available to foreign private issuers. If the Corporation loses foreign private issuer status or no longer satisfies the criteria of MJDS eligibility, compliance with more enhanced disclosure requirements and other U.S. securities laws may increase our legal and financial compliance costs, make some activities more difficult and time-consuming, increase demand on our systems and resources and divert management's attention from other business concerns, all of which could have a material adverse effect on our business, financial condition and results of operations.

***As an "emerging growth company", Acasti is exempt from the requirement to comply with the auditor attestation requirements of the Sarbanes-Oxley Act.***

Acasti is an "emerging growth company," as defined in the U.S. Jumpstart Our Business Startups Act, and intends to avail itself of the exemption provided to emerging growth companies from the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act of 2002. Therefore, Acasti's internal controls over financial reporting will not receive the level of review provided by the process relating to the auditor attestation included in annual reports of issuers that are not using an exemption. In addition, Acasti cannot predict if investors will find the Common Shares less attractive because it relies on this exemption. If some investors find the Common Shares less attractive as a result, there may be a less active trading market for the Common Shares and trading price for the Common Shares may be negatively affected.

***U.S. investors may be unable to enforce certain judgments.***

The Corporation is a company existing under the Business Corporations Act (Québec). The majority of the Corporation's directors and officers are residents of Canada, and substantially all of the Corporation's assets are located outside the United States. As a result, it may be difficult to effect service within the United States upon the Corporation or upon its directors and officers. Execution by U.S. courts of any judgment obtained against the Corporation or any of its directors or officers in U.S. courts may be limited to the assets of such companies or such persons, as the case may be, located in the United States. It may also be difficult for holders of securities who reside in the United States to realize in the United States upon judgments of U.S. courts predicated upon civil liability and the civil liability of the Corporation's directors and executive officers under the U.S. federal securities laws. The Corporation has been advised that a judgment of a U.S. court predicated solely upon civil liability under U.S. federal securities laws or the securities or "blue sky" laws of any state within the United States, would likely be enforceable in Canada if the United States court in which the judgment was obtained has a basis for jurisdiction in the matter that would be recognized by a Canadian court for the same purposes. However, there may be doubt as to the enforceability in Canada against these non-U.S. entities or their controlling persons, directors and officers who are not residents of the United States, in original actions or in actions for enforcement of judgments of U.S. courts, of liabilities predicated solely upon U.S. federal or state securities laws.

## DIVIDENDS

The Corporation does not anticipate paying any cash dividend on the Common Shares in the foreseeable future. The Corporation presently intends to retain future earnings to finance the expansion and growth of the Corporation's business. Any future determination to pay dividends will be at the discretion of the Corporation's Board of Directors and will depend on the Corporation's financial condition, results of operations, capital requirements and other factors the Board of Directors deems relevant. In addition, the terms of any future debt or credit facility may preclude the Corporation from paying dividends.

## DESCRIPTION OF CAPITAL STRUCTURE

The Corporation's authorized capital consists of an unlimited number of no par value Common Shares and an unlimited number of no par value Class B, Class C, Class D and Class E preferred shares (collectively the "**Preferred Shares**"), issuable in one or more series.

As of February 28, 2013, there were (i) a total of 73,107,538 Common Shares issued and outstanding and no Preferred Shares issued and outstanding, (ii) 5,216,250 options to purchase Common Shares issued and outstanding, at a weighted average exercise price of $1.55 per Common Share, and (iii) 12,932,350 warrants (including 6,750,000 warrants held by Neptune) to purchase Common Shares issued and outstanding, at a weighted average exercise price of $1.39 per Common Share.

The following is a brief description of the rights, privileges, conditions and restrictions attaching to the Common Shares and Preferred Shares.

### Common Shares

*Voting Rights*

Each Common Share entitles its holder to receive notice of, and to attend and vote at, all annual or special meetings of the shareholders of the Corporation. Each Common Share entitles its holder to one vote at any meeting of the shareholders, other than meetings at which only the holders of a particular class or series of shares are entitled to vote due to statutory provisions or the specific attributes of this class or series.

*Dividends*

Subject to the prior rights of the holders of Preferred Shares ranking before the Common Shares as to dividends, the holders of Common Shares are entitled to receive dividends as declared by the Board of Directors of the Corporation from the Corporation's funds that are available for the payment of dividends.

*Winding-up and Dissolution.*

In the event of the Corporation's voluntary or involuntary winding-up or dissolution, or any other distribution of the Corporation's assets among its shareholders for the purposes of winding up its affairs, the holders of Common Shares shall be entitled to receive, after payment by the Corporation to the holders of Preferred Shares ranking prior to Common Shares regarding the distribution of the Corporation's assets in the case of winding-up or dissolution, share for share, the remainder of the property of the Corporation, with neither preference nor distinction. The order of priority, applicable to all classes of shares of the Corporation with respect to the redemption, liquidation, dissolution or distribution of property (the "**Order of priority**") is as follows:

First, the Class E non-voting shares;

Second, the Class D non-voting shares;

Third, the Class B multiple voting shares and Class C non-voting shares, *pari passu*; and

Fourth, the Common Shares.

Notwithstanding the above-mentioned Order of priority, shareholders of a class of shares may renounce the above-mentioned Order of priority by unanimous approval by all shareholders of that class of shares.

**Preferred Shares**

*Class B multiple voting shares*

Each Class B multiple voting share entitles the holder thereof to ten (10) votes per share in all shareholder meetings of the Corporation.

*Dividends*

Holders of Class B multiple voting shares are entitled to receive, as and when such dividends are declared, an annual non-cumulative dividend of five percent (5%) on the amount paid for the said shares, payable at the time and in the manner which the Directors may determine and subject to the Order of priority.

*Participation*

Subject to the provisions of subsection 5.2.2 of the of the Corporation's articles, dated February 1, 2002, as amended (the " **Articles**"), holders of Class B multiple voting shares do not have the right to participate in the profits or surplus assets of the Corporation.

*Conversion*

Holders of Class B multiple voting shares have the right, at their entire discretion, to convert, part or all of the Class B multiple voting shares they hold into Common Shares on the basis of one (1) Common Share for each Class B multiple voting share converted.

*Redemption*

Subject to the provisions of the BCA and the Order of priority, holders of Class B multiple voting shares have the right to demand from the Corporation, upon a thirty (30) day written notice, that the Corporation redeem the Class B multiple voting shares at a price equivalent to the amount paid for such shares plus the redemption premium, as defined in subsection 5.2.4.1 of the Articles, and any and all declared but yet unpaid dividends on same.

*Liquidation*

In the event of the dissolution or liquidation of the Corporation or any other distribution of its property, the Class B voting shareholders shall have the right to be reimbursed for the amount paid on Class B multiple voting shares plus the redemption premium, as defined in subsection 5.2.4.1 of the Articles as well as the amount of any and all declared but yet unpaid dividends on said shares, subject to the Order of priority.

*Class C Non-Voting Shares*

Subject to the provisions of the BCA, holders of Class C non-voting shares are neither be entitled to vote at any meeting of the shareholders of the Corporation, nor to receive a notice of such meeting nor to attend any such meeting.

*Dividend*

Holders of Class C non-voting shares are entitled to receive, as and when such dividends are declared, an annual non-cumulative dividend of five percent (5%) on the amount paid for the said shares, plus a redemption premium as defined in subsection 5.3.6.1 of the Articles, payable at the time and in the manner which the Directors may determine and subject to the Order of priority.

*Participation*

Subject to the provisions of subsection 5.3.2 of the Articles, holders of Class C non-voting shares do not have the right to participate in the profits or surplus assets of the Corporation.

*Conversion*

Holders of Class C non-voting shares have the right, at their entire discretion, to convert, part or all of the Class C non-voting shares they hold into Common Shares on the basis of one (1) Common Share for each Class C non-voting share converted.

*Forced Conversion*

All of the Corporation's Class C non-voting shares shall automatically be converted in Common Shares upon the request of an unrelated third party investor in the Corporation, investing more than $500,000, or any other amount to be determined by the Board of directors of the Corporation, in the Corporation and requesting as a condition to the investment that the Class C non-voting shares be converted into Common Shares on the basis of one Common Share for each Class C non-voting share converted.

*Redemption*

Subject to the provisions of the BCA and the Order of priority, holders of Class C non-voting shares have the right to demand from the Corporation, upon a thirty (30) day written notice, that the Corporation redeem the Class C non-voting shares at a price equivalent to the amount paid for said shares plus the redemption premium, as defined in subsection 5.3.6.1 of the Articles, and any and all declared but yet unpaid dividends on same.

*Liquidation*

In the event of the dissolution or liquidation of the Corporation or any other distribution of its property, the shareholders have the right to be reimbursed for the amount paid on Class C non-voting shares plus the redemption premium, as defined in subsection 5.3.6.1 of the Articles, as well as the amount of any and all declared but yet unpaid dividends on said shares, subject to the Order of priority.

*Class D Non-Voting Shares*

Subject to the provisions of the BCA, holders of Class D non-voting shares shall neither be entitled to vote at any meeting of the shareholders of the Corporation, nor to receive a notice of such meeting nor to attend any such meeting.

*Dividend*

Holders of Class D non-voting shares are entitled to receive, as and when such dividends are declared, a monthly non-cumulative dividend of half of one percent to two percent (0.5% to 2%) on the amount paid for such shares, plus a redemption premium as defined in subsection 5.4.6.1 of the Articles, payable at the time and in the manner which the Directors may determine and subject to the Order of priority.

*Participation*

Subject to the provisions of subsection 5.4.2 of the Articles, holders of Class D non-voting shares shall not have the right to participate in the profits or surplus assets of the Corporation.

*Conversion*

Holders of Class D non-voting shares shall have the right, at their entire discretion, to convert, part or all of the Class D non-voting shares they hold into Common Shares on the basis of a number of Common Shares equal to the number of Class D non-voting shares converted multiplied by the conversion ratio, calculated as follows:

$$\text{Conversion Ratio} = \frac{\text{The product obtained by multiplying a factor to be agreed at the time of the issuance of the Class D non-voting shares by the average amount paid per share for the Class D non-voting shares plus the redemption premium per share, as defined in subsection 5.4.6.1 of the Articles as well as the amount of any and all declared but yet paid dividends per said shares}}{\text{Fair Market Value of the Common Shares at the date of any conversion of Class D non-voting shares in Common Shares}}$$

*Forced Conversion*

All of the Corporation's Class C non-voting shares shall automatically be converted in Common Shares upon the request of an unrelated third party investor in the Corporation, investing more than $500,000, or any other amount to be determined by the Board of directors of the Corporation, in the Corporation and requesting as a condition to the investment that the Class C non-voting shares be converted into Common Shares in all cases, on the basis of a number of Common Shares equal to the number of Class D non-voting shares converted multiplied by the conversion ratio, calculated as follows :

$$\text{Conversion Ratio} = \frac{\text{The product obtained by multiplying a factor to be agreed at the time of the issuance of the Class D non-voting shares by the average amount paid per share for the Class D non-voting shares plus the redemption premium per share, as defined in subsection 5.4.6.1 of the Articles as well as the amount of any and all declared but yet paid dividends per said shares}}{\text{Fair Market Value of the Common Shares at the date of any conversion of Class D non-voting shares in Common Shares}}$$

*Redemption*

Subject to the provisions of the BCA and the Order of priority, holders of Class D non-voting shares have the right to demand from the Corporation, upon a thirty (30) day written notice, that the latter redeem the Class D non-voting shares that are held by the shareholder(s) at a price equivalent to the amount paid for said shares plus the redemption premium, as defined in subsection 5.4.6.1 of the Articles, and any and all declared but yet unpaid dividends on same.

*Liquidation*

In the event of the dissolution or liquidation of the Corporation or any other distribution of its property, the shareholders shall have the right to be reimbursed for the amount paid on Class D non-voting shares plus the redemption premium, as defined in subsection 5.4.6.1 of the Articles as well as the amount of any and all declared but yet unpaid dividends on said shares, subject to the Order of priority.

*Class E Non-Voting Shares*

Subject to the provisions of the BCA, holders of Class E non-voting shares shall neither be entitled to vote at any meeting of the shareholders of the Corporation, nor to receive a notice of such meeting nor to attend any such meeting.

*Dividend*

Holders of Class E non-voting shares are entitled to receive, as and when such dividends are declared, a monthly non-cumulative dividend of half of one percent to two percent (0.5% to 2%) on the amount paid for the said shares, payable at the time and in the manner which the Directors may determine and subject to the Order of priority.

*Participation*

Subject to the provisions of subsection 5.5.2 of the Articles, holders of Class E non-voting shares shall not have the right to participate in the profits or surplus assets of the Corporation.

*Conversion*

Holders of Class E non-voting shares shall have the right, at their entire discretion, to convert, part or all of the Class E non-voting shares they hold into Common Shares on the basis of a number of Common Shares equal to the number of Class E non-voting shares converted multiplied by the conversion ratio, calculated as follows:

$$\text{Conversion Ratio} = \frac{\text{The product obtained by multiplying a factor to be agreed at the time of the issuance of the Class E non-voting shares by the average amount paid per share for the Class E non-voting shares plus the amount of any and all declared but yet paid dividends per said shares}}{\text{Fair Market Value of the Common Shares at the date of any conversion of Class E non-voting shares in Common Shares}}$$

*Redemption*

Subject to the provisions of the BCA and the Order of priority, the Corporation has the right to demand from holders of Class E non-voting shares, upon a thirty (30) day written notice, that the latter redeem the Class E non-voting shares that are held by the shareholder(s) at a price equivalent to the amount paid for said shares and any and all declared but yet unpaid dividends on same.

*Liquidation*

In the event of the dissolution or liquidation of the Corporation or any other distribution of its property, the shareholders shall have the right to be reimbursed for the amount paid on Class E non-voting shares as well as the amount of any and all declared but yet unpaid dividends on said shares, subject to the Order of priority.

## MARKET FOR SECURITIES

Since March 31, 2011, the Common Shares have been listed on the TSXV under the ticker symbol APO. Since January 7, 2013, the Common Shares have been listed on the NASDAQ Stock Market under the ticker symbol ACST.

As at February 28, 2013, there were 73,107,538 issued and outstanding Common Shares of Acasti, each share entitling its holder to one (1) vote per Common Share.

**Trading Prices and Volumes for Acasti**

The price ranges and trading volume of the Common Shares for the most recently completed fiscal year on the TSX and the NASDAQ was as follows:

| Period | TSX-V (CDN$) | | | NASDAQ (US$) | | |
|---|---|---|---|---|---|---|
| | High | Low | Volume (daily average) | High | Low | Volume (daily average) |
| May 2013 | 2,74 | 2,30 | 13,144 | 2,74 | 2,35 | 17,106 |
| April 2013 | 2,52 | 2,05 | 23,773 | 2,48 | 2,08 | 32,068 |
| March 2013 | 2,57 | 2,00 | 26,045 | 3,15 | 1,97 | 39,780 |
| February 2013 | 2,65 | 2,04 | 25,926 | 2,69 | 2,00 | 52,353 |
| January 2013 | 2,68 | 2,16 | 22,409 | 3,99 | 2,21 | 30,122 |
| December 2012 | 2,76 | 2,00 | 35,405 | - | - | - |
| November 2012 | 2,68 | 1,60 | 35,455 | - | - | - |
| October 2012 | 2,60 | 1,98 | 37,536 | - | - | - |
| September 2012 | 2,21 | 1,96 | 16,795 | - | - | - |
| August 2012 | 2,33 | 2,02 | 17,032 | - | - | - |
| July 2012 | 2,30 | 1,96 | 12,871 | - | - | - |
| June 2012 | 2,25 | 1,90 | 21,624 | - | - | - |
| May 2012 | 2,47 | 2,00 | 16,545 | - | - | - |
| April 2012 | 2,27 | 2,05 | 12,445 | - | - | - |
| March 2012 | 2,24 | 1,90 | 27,359 | - | - | - |

## ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTION ON TRANSFER

Certain securities of Acasti are deposited with Computershare Investor Services Inc. (the " **Escrow Agent**") pursuant to the TSXV Policy 5.4 and a securities escrow agreement entered into on March 31, 2013 (the listing date of the Corporation's Common Shares on the TSXV) between the Corporation and the Escrow Agent (the "**Escrow Agreement**").

The following table shows, as at the date hereof, the number of securities of each class of securities and the percentage that number represents of the outstanding securities of that class, as of February 28, 2013, that are still currently held under escrow by the Escrow Agent.

| Designation of Class | Number of Securities Held in Escrow | Percentage of Class of Securities(1) |
|---|---|---|
| Class A | 22,229,917 | 30.0% |
| Stock Options | 500,000 | 9.6% |
| Series 4 Warrant | 3,375,000 | 18.7% |

Note:
(1) On September 30, 2013 and March 31, 2014, respectively, 27% and 73% of the escrowed securities will be released.

## DIRECTORS AND OFFICERS

**Name, Occupation and Security Holding of Directors and Executive Officers**

The following table sets forth each director and executive officer's name, province and country of residence, his/her principal occupation, including the committees of the Board, the year in which he or she first became a director. All members of the Board of Directors herein below will hold their positions until the next annual meeting of shareholders of the Corporation.

| Name, Province and Country of Residence | Principal Occupation | Position Within the Corporation | Year of Nomination as a Director of the Corporation |
|---|---|---|---|
| Henri Harland (3)<br>Québec, Canada | President and Chief Executive Officer of Neptune | President, Secretary and Chief Executive Officer and Director | 2008 |
| Ronald Denis (1,2,3)<br>Québec, Canada | Chief of Surgery at Hôpital du Sacré-Coeur, Montréal | Independent Director and Chairman of the Board | 2008 |
| Michel Chartrand (1,3)<br>Québec, Canada | Chief Operating Officer of Neptune (4) | Director | 2008 |
| Martin Godbout (1,2,3)<br>Québec, Canada | President, Hodran Consultants | Independent Director | 2011 |
| Marc Lebel (1,2,3)<br>Québec, Canada | Interim Chief Executive Officer and Director of Warnex Inc. | Independent Director | 2011 |
| Harlan W. Waksal<br>New York, United States | Executive Vice-President, Business and Scientific Affairs of the Corporation | Executive Vice-President, Business and Scientific Affairs | - |
| Tina Sampalis<br>Québec, Canada | Chief Global Strategy Officer of the Corporation | Chief Global Strategy Officer | - |
| Pierre Lemieux<br>Québec, Canada | Chief Operating Officer of Acasti | Chief Operating Officer | - |
| Xavier Harland<br>Québec, Canada | Chief Financial Officer of the Corporation | Chief Financial Officer | - |

Notes:
(1) Member of the Audit Committee of the Corporation
(2) Member of the Compensation Committee of the Corporation
(3) Member of the Corporate Governance Committee of the Corporation
(4) M. Chartrand resigned from his office as Chief Operating Officer of Neptune on January 28, 2013

As of February 28, 2013, the directors and executive officers of the Corporation, as a group, beneficially owned or exercised control or direction over approximately 2,636,730 (3.0%) of the outstanding Common Shares.

Following are brief biographies of Acasti's directors and executive officers:

***Mr. Henri Harland – Director and President and Chief Executive Officer***

Mr. Henri Harland is an Actuary and holds a MBA (Finance) from Laval University. Mr. Henri Harland has been a Director, President and Chief Executive Officer of the Corporation since 2008. His principal occupation is President and Chief Executive Officer of Neptune, a position he has held since Neptune's incorporation on October 9, 1998. He is the founder of the Corporation and has been involved in the krill research project since 1991. For more than ten years he has also held the position of President and Chief Executive Officer of Groupe Conseil Harland Inc., a financial engineering group. Previously, he acted as an independent financial consultant guiding companies from different industrial sectors in both North America and Europe in their capital restructure, financing and business development.

***Dr. Ronald Denis - Chairman of the Board and Director***

Dr. Ronald Denis is Chairman of the Board and has been a Director of the Corporation since 2008. His principal occupation is Chief of Surgery and Co-Director of the Trauma Program at Hôpital du Sacré-Coeur in Montréal. Also, since 1987, Dr. Denis has been medical co-director of the Canadian Formula 1 Grand Prix. Dr. Denis sits on several scientific boards and management committees.

***Mr. Michel Chartrand –Director***

Mr. Michel Chartrand has been a Director of the Corporation since 2008. His principal occupation was Chief Operating Officer of Neptune, a position he held from September 12, 2011 until January 28, 2013. Before joining Neptune, he was the Vice-President of Retail Partner Solutions at McKesson Canada between 2009 and 2011. From 2004 to 2009 Mr. Chartrand was the President and Chief Executive Officer of Groupe PharmEssor inc. which included, due to a merger, Gestion Santé Services Obonsoins Inc. and Groupe Essaim Inc., two important Quebec pharmacy franchisors in Quebec. From 1998 to 2004, Mr. Chartrand was the Executive Vice President of Gestion Santé Services Obonsoins Inc.

***Mr. Marc Lebel – Director***

Mr. Marc LeBel has been a Director of the Corporation since 2011. His principal occupation is interim Chief Executive Officer and director of Warnex Inc., a life sciences company which provides laboratory services to the pharmaceutical and healthcare sectors. Mr. Label is also the co-founder of Anapharm Inc., a Phase I contract research organization which employs approximately 1,200 employees. Mr. LeBel was Executive Vice-President of Pharmanet Canada Inc., from 2005 to 2007, following its acquisition of Anapharm Inc. Mr. LeBel is also a director of Nuchem Therapeutics Inc., a company that specializes in providing medicinal chemistry support in drug discovery and contract research for the biotech and pharmaceutical industries. His recent venture in the film industry made him Executive Producer of the movie “Ruby McCollum”, and Associate Producer of the 3D animation movie “Sarila”. He has received the following honors: Excelsia 2006 BioQuébec, Grand Diplômé Université Laval, and Leadership Prize, Canadian Society Pharmaceutical Sciences.

***Dr. Martin Godbout – Director***

Dr. Martin Godbout has been a Director of the Corporation since 2011. His principal occupation is President of Hodran Consultatnts Inc. He holds a B.Sc. in Biochemistry (1979) and a doctorate in physiology and molecular endocrinology from Laval University. From 1985 to 1990, he received a postdoctoral fellowship from the Medical Research Council of Canada (MRC) and resided in San Diego, California, where he continued research work in molecular neurobiology at the Scripps Research Institute. From May 1994 to May 1997, he was President and Chief Executive Officer of Innovatech Quebec, a technology investment fund managing approximately $60 million. In May 1997, he became Vice-President of BioCapital, a Canadian venture fund specialized in the financing of start-up companies in the areas of health and biotechnology. From 1999 to 2009, Dr. Godbout was the President of Genome Canada. Dr. Godbout is also an Officer of the Order of Canada (2005). Dr. Godbout has been a director of MethylGene since 2004, a public company listed on the Toronto Stock Exchange. Dr. Godbout is currently a director on several boards of high technology companies, foundations and scientific organizations such as AmorChem, AngioChem Inc., Asmacure Inc., BioContact Québec Inc., Génome Québec, BioQuébec, Montréal In Vivo, Fonds de Recherche Québec-Santé and the Ataxia Charlevoix Foundation.

***Dr. Pierre Lemieux Ph.D. – Chief Operating Officer***

Dr. Pierre Lemieux has been the Chief Operating Officer of the Corporation since April 12, 2010. He holds a post-doctoral degree in Oncology from the Health Science Center, University of Texas (San Antonio), USA, and a PhD in biochemistry from Laval University, Canada, jointly with University of Nottingham, England. Prior to joining the Corporation, Dr. Lemieux was the President, Chief Executive Officer and the chairman of the board as well as being the founder of Technologie Biolactis Inc., a late-stage biotechnology company specialized in the valorization of proteins to better serve the nutraceutical, cosmetic and pharmaceutical industries.

***Mr. Xavier Harland – Chief Financial Officer***

Mr. Xavier Harland joined the Corporation as Chief Financial Officer on in March of 2011. He graduated from Laval University in Actuarial Science in 2003. He is also a CFA charter holder since 2007 and FRM holder since 2006. Xavier Harland was the Director of Finance for Neptune from 2004 to 2011. Mr. Harland works full time for the Neptune group, which also includes NeuroBioPharm, Acasti's sister company.

***Dr. Harlan W. Waksal – Vice-President, Business and Scientific Affairs***

Dr. Harlan W. Waksal. is the Vice-President, Business and Scientific Affairs at the Corporation. Dr. Waksal is a retired physician, he received his B.A. from Oberlin College and M.D. from Tufts University School of Medicine, and his post graduate training in Internal Medicine and in Pathology. In addition, he conducted research in immunology at the Weizmann Institute of Science. Dr. Waksal was a founder of Imclone Systems Incorporated, a New York based pharmaceutical company specializing in developing new treatment for various forms of cancer. He served as the Chief Operating Officer and member of the board of directors from 1986 until 2001 and as President/Chief Executive Officer from 2001 until 2002. During his tenure, he was responsible for building the scientific and operation infrastructure of the company. Dr. Waksal is the author of over 50 scientific publications and has also authored multiple patents and patent applications. Dr. Waksal currently serves on the boards of the Oberlin College, Senesco Technologies, Inc. He also serves on the Advisory Board of Northern Rivers Funds.

***Dr. Tina Sampalis M.D., Ph.D. – Chief Global Strategy Officer***

Dr. Tina Sampalis is the Chief Global Strategy Officer of the Corporation. Dr. Sampalis is an Oncology Surgeon, trained in Physiology at McGill University, Medicine at the University of Patras (Greece), Dermatology at Göttingen University (Germany) and Marselisborg University (Denmark), Pediatric, General and Oncology Surgery at the University of Athens (Greece), graduate training (PhD) in Surgical Research at the University of Athens and a second PhD in Epidemiology and Experimental Surgery at McGill University. Between May 2000 and June 2007, she held the position of Vice-President of Research and Business Development at Neptune and since June 2007 the position of Chief Scientific Officer of the Corporation. She ceased to occupy these positions following her nomination as Chief Global Strategy Officer for Neptune and Acasti, which was announced on May 25, 2012.

**CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS**

To the knowledge of Acasti, none of the directors or executive officers of the Corporation:

(a) is, or has been, within the last ten years, a director, chief executive officer or chief financial officer of any Corporation that:

(i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant Corporation access to any exemption under applicable securities legislation, that was in effect for a period of more than 30 consecutive days (an "**Order**"), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or

To the knowledge of Acasti, no director or executive officer of the Corporation, or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

(a) is, or has been, within the last ten years, a director or executive officer of any Corporation that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver manager or trustee appointed to hold its assets; or

(b) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or its assets of the proposed director.

To the knowledge of Acasti, no director, executive officer or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Corporation is not aware of any legal proceedings or regulatory actions in which it is involved and no such proceedings or regulatory actions are known by the Corporation to be contemplated, except in the section entitled “Acasti’s Business – Litigation.”

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the insiders of the Corporation, the Directors, or any of their respective associates or affiliates, has or has had any material interest, direct or indirect, in any material transaction whether proposed or concluded, since the beginning of the Corporation’s most recently completed fiscal year and for the three (3) last completed fiscal years.

## TRANSFER AGENTS AND REGISTRARS

Computershare Trust Company of Canada, at its offices in Montreal, is the transfer agent and registrar for the Corporation’s Common Shares.

## MATERIAL CONTRACTS

The Corporation has not entered into any material contract, other than those entered into in the normal course of business, within the most recently completed fiscal year, or before the most recently completed fiscal year, which is still in effect except for the license agreement entered into with Neptune on August 7, 2008 and the prepayment agreement entered into with Neptune on December 4, 2012. See “Acasti’s Business – Intellectual Property – License Agreement.”

## INTEREST OF EXPERTS

KPMG LLP (“**KPMG**”), has audited the Corporation’s consolidated financial statements for the years ended as at February 28, 2013 and February 28, 2012. KPMG is independent with respect to Neptune Technologies & Bioressources Inc. and Acasti Pharma Inc. within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada.

## REPORT ON AUDIT COMMITTEE

### Audit Committee’s Charter

The Charter of the Audit Committee is annexed to this circular as Schedule A. The Charter was adopted by the Board of Directors on June 6, 2007.

**Composition of the Audit Committee**

The Audit Committee is currently composed of four (4) members of Board of Directors: Dr. Ronald Denis, Mr. Marc LeBel, Mr. Michel Chartrand and Mr. Martin Godbout. Under National Instrument 52-110 Audit Committees ("**NI 52-110**"), a member of an Audit Committee is "independent" if he or she has no direct or indirect material relationship with the issuer, that is, a relationship which could, in the view of the Board of Directors, reasonably interfere with the exercise of the member's independent judgment. Mr. Michel Chartrand, the only non-independent member of the Audit Committee, is not a nominee for election as a director at the Corporation's next annual general meeting.

On January 7, 2013, the Corporation became a NASDAQ-listed public company. From the beginning of the fiscal year February 28, 2013 up until the date the Corporation became a NASDAQ-listed public company, the Corporation was a "venture issuer" as defined in MI 52-110 and relied on the exemption contained in section 6.1 of MI 52-110, which exempted it from the requirements of Part 3 (Composition of Audit Committee). The Corporation is no longer a "venture issuer", as defined in MI 52-110, and no longer relies on the exemption contained in section 6.1 of MI 52-110. Essentially, this exemption exempts a "venture issuer" from the requirements to have 100% of the members of its audit committee independent, as would otherwise be required by NI 52-110.

Since January 7, 2013, the date that the Corporation no longer qualified for the exemption under Section 6.1 of MI 52-110 relating to the composition of the Audit Committee, to the end of the fiscal year February 28, 2013, the Audit Committee did not hold any meetings.

All members of the Audit Committee are considered to be "financially literate" within the meaning of applicable Canadian securities regulations in that they each have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raided by the Corporation financial statements.

*Relevant Education and Experience*

The following describes the relevant education and experience of each member of the Audit Committee that shows their (a) understanding of the accounting principles used by the Corporation to prepare its financial statements, (b) ability to assess the general application of such accounting principles, (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to those that can reasonably be expected to be raised by the Corporation's financial statements or experience actively supervising one or more persons engaged in such activities, and (d) understanding of internal controls and procedures for financial reporting.

**Dr. Ronald Denis** – Dr. Denis has been Chief of Surgery and Director of the Trauma Program at Hôpital Sacré-Coeur since 1997. In his duties, Dr. Denis has to manage Sacré-Coeur Hospital Trauma Program budget and staff, also he has had to regularly review and analyze financial statements. Dr. Denis' experience has contributed to the development of his ability to analyze financial statements and understand GAAP.

**Mr. Marc Lebel –** Mr. Marc LeBel is the co-founder of Anapharm, a Phase I contract research organization, that reached 1 200 employees. Mr. LeBel was Executive Vice-President of Pharmanet, from 2005 to 2007, following its acquisition of Anapharm. Mr. LeBel is currently Interim CEO and Director of Warnex Inc., Director of Acasti Pharma Inc. and Nuchem Inc. He received the following honors: Excelsia 2006 BioQuébec, Grand Diplômé Université Laval, and Leadership Prize, Canadian Society Pharmaceutical Sciences. Mr. Lebel's experience as an executive officer has contributed to his understanding of internal controls and procedures for financial reporting and his ability to evaluate financial statements.

**Dr. Martin Godbout –** Mr. Martin Godbout holds a B.Sc. in Biochemistry (1979) and a doctorate in physiology and molecular endocrinology from Laval University. From 1985 to 1990, he received a postdoctoral fellowship from the Medical Research Council of Canada (MRC) and went to San Diego, California, where he continued research work in molecular neurobiology at the Scripps Research Institute. From May 1994 to May 1997, he was President and CEO of Innovatech Québec, a technology investment fund of 60 million dollars. In May 1997, he became Vice-President of BioCapital, a Canadian venture fund specialized in private financing of start-up

companies demonstrating strong potential in the areas of health and biotechnology. From 200 to 2009 he was President of Genome Canada. Mr. Godbout is an Officer of the Order of Canada (2005). Since 2004, Mr. Godbout is a director of MethylGene, a public company listed on the Toronto Stock Exchange. Mr. Godbout is currently a director on several boards of high technology companies, foundations and scientific organizations such as AmorChem, AngioChem, Asmacure, BioContact Québec, Génome Québec, BioQuébec, Montréal In Vivo, Fonds de Recherche Québec-Santé and the Ataxia Charlevoix Foundation. Mr. Godbout's experience as an executive officer has contributed to his understanding of internal controls and procedures for financial reporting and his ability to evaluate financial statements.

**Mr. Michel Chartrand** – Mr. Chartrand has been a director of the Corporation since 2008. His principal occupation was Chief Operating Officer of Neptune, a position he held from September 12, 2011 until January 28, 2013. Before joining Neptune, he was the Vice-President of Retail Partner Solutions at McKesson Canada between 2009 and 2011. From 2004 to 2009 Mr. Chartrand was the President and Chief Executive Officer of Groupe PharmEssor inc. which included, due to a merger, Gestion Santé Services Obonsoins Inc. and Groupe Essaim Inc., two important Quebec pharmacy franchisors in Quebec. From 1998 to 2004, Mr. Chartrand was the Executive Vice President of Gestion Santé Services Obonsoins Inc. Mr. Chartrand's experience as an executive officer has contributed to his understanding of internal controls and procedures for financial reporting and his ability to evaluate financial statements.

**External Auditor Fees**

*Audit Fees*

"Audit fees" consist of fees for professional services for the audit of the Corporation's annual financial statements and review of the interim financial statements and related matters. For the fiscal year ended February 28, 2013 and February 29, 2012, KPMG LLP, the Corporation's external auditors, billed $35,000 and $40,000, respectively, to the Corporation for audit fees.

*Audit-Related Fees*

"Audit-related fees" consist of fees for professional services that are reasonably related to the performance of the audit or review of the Company's financial statements and which are not reported under "Audit Fees" above. For the fiscal year ended February 28, 2013, and February 29, 2012 KPMG LLP, the Corporation's external auditors, billed $33,500 and $30,750, respectively, to the Corporation (accounting consultations, prospectus filings).

*Tax Fees*

"Tax fees" consist of fees for professional services for tax compliance, tax advice and tax planning. KPMG LLP, the Corporation's external auditors, billed a total of $7,500 to the Corporation for tax fees for fiscal year ended February 28, 2013 and a total of $7,000 to the Corporation for the fiscal year ended February 29, 2012. Tax fees include, but are not limited to, preparation of tax returns.

*All Other Fees*

The "other fees" include all other fees billed for professional services other than those mentioned hereinabove. KPMG LLP, the Corporation's external auditors, billed no fees as to this matter the fiscal years ended February 28, 2013 and February 29, 2012.

**ADDITIONAL INFORMATION**

Additional information relating to the Corporation may also be found on the SEDAR website at www.sedar.com, and on EDGAR at www.sec.gov/edgar.shtml.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, options to purchase securities and interests of informed persons in material transactions, if applicable, is contained in Acasti's Management Proxy Circular dated May 22, 2013 and available on SEDAR. Additional financial information is also provided in the Corporation's financial statements and MD&A for the most recently completed fiscal year.

**SCHEDULE "A"**

**CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

The Audit Committee of the Board of Directors assists the Board in fulfilling its oversight responsibilities relating to the quality and integrity of the accounting, auditing and reporting practices of the Corporation and such other duties as directed by the Board of Directors or imposed by legislative authorities or stock exchanges.

**Structure and Organization**

1. The membership of the Committee will consist of at least three independent members of the Board of Directors, the majority of whom will not be employees, controlling shareholders or executives of the Corporation or of any associates or affiliates of the Corporation. Committee members and the Committee Chairman shall be designated by and serve at the pleasure of the Board of Directors. All members must be financially literate and at least one member must have accounting or related financial management expertise, in each case in the judgment of the Board of Directors.

2. The Committee shall meet at least four times per year or more frequently as circumstances require. The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. The required quorum for the Committee will be the majority of the members forming the Committee.

3. The Committee is expected to maintain free and open communication with management and the external auditors.

4. The Committee has the authority to investigate any matter brought to its attention and to retain outside counsel for this purpose if, in its judgment, that is appropriate.

***General Responsibilities***

The Committee shall:

1. Meet periodically with representatives of the external auditors, the internal audit manager (if any) and management in separate sessions to discuss any matters that the Committee or these groups believe should be discussed privately with the Committee. Provide sufficient opportunity for the external auditors to meet with the internal auditors as appropriate without members of management being present.

2. Prepare the minutes of all Committee meetings and report of such meetings to the Board of Directors.

3. Review and reassess the adequacy of this Charter annually.

***Responsibilities for Engaging External Auditors***

The Committee shall:

1. Recommend for approval by the Board of Directors and ratification by the shareholders the selection and retention of an independent firm of chartered professional accountants as external auditors, approve compensation of the external auditors, and review and approve in advance the discharge of the external auditors.

2. Review the independence of the external auditors. In considering the independence of the external auditors, the Committee will review the nature of the services provided by the external auditors and the fees charged, and such other matters as the Committee deems appropriate.

3. Ensure that the external auditors are in good standing with the Canadian Public Accountability Board (CPAB) and that the CPAB has not imposed any sanction on them. The Audit Committee is also responsible for ensuring that the external auditors comply with the rotation requirements with respect to partners involved in the audit of the Corporation.

4. Arrange for the external auditors to be available to the Board of Directors at least annually to help provide a basis for the Board's approval of the external auditors' appointment.

5. Approve all allowable non-audit related services to be provided to the Corporation or one of its subsidiaries by the Corporation's external auditors if applicable.

6. Non-audit services of minimal amount satisfy the pre-approval requirements on the following conditions:

    (a) that the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiaries to the Corporation's external auditors during the fiscal year in which the services are provided;

    (b) that the Corporation or its subsidiaries, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and

    (c) that the services are promptly brought to the attention of the Audit Committee and approved, prior to the completion of the audit, by the Audit Committee or by one or more of its members to whom authority to grant such approvals had been delegated by the Audit Committee.

**Responsibilities for Oversight of the Quality and Integrity of Accounting, Auditing and Reporting Practices of the Corporation**

The Committee shall:

1. Directly review the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation. The Committee shall be directly responsible of the resolution of disagreements between management and the external auditors regarding financial reporting.

2. Review the Corporation's financial statements, management's discussion and analysis (MD&A) and annual and interim earnings press releases together with management and the external auditors, if applicable, before the Corporation publicly discloses this information. This review should cover the quality of the financial reporting and such other matters as the Committee deems appropriate.

3. Review with the external auditors and management the audit plan of the external auditors for the current year and the following year.

4. Review with financial and accounting personnel, the adequacy and effectiveness of the accounting, financial, and computerized information systems controls of the Corporation, and the results of any external audit procedures, if applicable.

5. Establish procedures for the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls or auditing matters. Such complaints are to be treated confidentially and anonymously.

6. Review and approve all related party transactions undertaken by the Corporation.

***Periodic Responsibilities***

The Committee shall:

1. Review periodically with management any legal and regulatory matters that may have a material impact on the Corporation's financial statements, compliance policies and compliance programs.

2. Review with management and approve transactions involving management and/or members of the Board of Directors, which would require disclosure under TSX Venture Exchange rules.

3. Supervise the corporate compliance program and periodically review whether any improvements should be made thereto and make appropriate recommendations to management.

4. Perform such other functions assigned by law, the Corporation's Articles or bylaws, or by the Board of Directors.

5. Review services and related fees for work done by the external auditors as well as an updated projection of the total costs for the fiscal year.

6. Review and approve the engagement policy of the Corporation with respect to partners, employees, former partners and employees of the current and previous external auditors of the Corporation.

7. Implement a process for the identification of the principal business risks and monitor the implementation of appropriate methods of risk management. This process will require consultation with management in order to determine how risks are handled and to solicit the opinion of the internal audit department with respect to the effectiveness of the risk limitation strategies.

***Authority of the Audit Committee***

The Committee shall have the authority to:

1. Engage independent counsel and other advisors as it determines necessary to carry out its duties.

2. Pay the compensation for any advisors employed by the Committee. The Committee shall notify the Board of Directors on the extent of the financing required to pay for the compensation of the independent expert advisors retained to advise the Committee.

3. Communicate directly with the internal and external auditors.

EXHIBIT 99.2

Financial Statements of

# ACASTI PHARMA INC.

Years ended February 28, 2013 and February 29, 2012

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## INDEPENDENT AUDITORS' REPORT

To the Shareholders of Acasti Pharma Inc.

We have audited the accompanying financial statements of Acasti Pharma Inc., which comprise the statements of financial position as at February 28, 2013 and February 29, 2012, the statements of earnings and comprehensive loss, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") , and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Acasti Pharma Inc. as at February 28, 2013 and February 29, 2012, and its financial performance and its cash flows for the years then ended in accordance with IFRS as issued by the IASB.

*Emphasis of Matter*

Without modifying our opinion, we draw attention to note 2 (b) in the financial statements, which indicates that Acasti Pharma Inc. has incurred operating losses and negative cash flows from operations since inception. This condition, along with other matters as set forth in note 2 (b) in the financial statements, indicates the existence of a material uncertainty that casts substantial doubt about Acasti Pharma Inc.'s ability to continue as a going concern.

KPMG LLP*

May 21, 2013
Montréal, Canada

*CPA auditor, CA, public accountancy permit No. A110592

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

**ACASTI PHARMA INC.**
Financial Statements

Years ended February 28, 2013 and February 29, 2012

**Financial Statements**


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**ACASTI PHARMA INC.**
Statements of Financial Position

February 28, 2013 and February 29, 2012

| | | February 28, 2013 | | February 29, 2012 |
|---|---|---|---|---|
| Assets | | | | |
| Current assets: | | | | |
| Cash | $ | 1,196,568 | $ | 1,589,810 |
| Short-term investments | | 3,588,227 | | 5,542,764 |
| Trade and other receivables (note 4) | | 450,838 | | 442,718 |
| Receivable from corporation under common control | | 49,658 | | 49,658 |
| Tax credits receivable (note 6) | | 335,501 | | 590,402 |
| Inventories (note 7) | | 222,125 | | 599,456 |
| Prepaid expenses | | 16,691 | | 41,650 |
| | | 5,859,608 | | 8,856,458 |
| Equipment (note 8) | | 19,278 | | 27,164 |
| Intangible assets (note 9) | | 6,291,162 | | 6,845,238 |
| Total assets | $ | 12,170,048 | $ | 15,728,860 |
| Liabilities and Equity | | | | |
| Current liabilities: | | | | |
| Trade and other payables (note 10) | $ | 706,883 | $ | 995,662 |
| Payable to parent corporation (note 5) | | 1,210,604 | | 214,772 |
| Royalties payable to parent corporation (note 18) | | 528,885 | | 49,084 |
| Total liabilities | | 2,446,372 | | 1,259,518 |
| Equity: | | | | |
| Share capital (note 11 (a)) | | 28,922,710 | | 28,614,550 |
| Warrants and rights (note 11 (c), (d)) | | 406,687 | | 313,315 |
| Contributed surplus | | 438,711 | | (1,306,451) |
| Deficit | | (20,044,432) | | (13,152,072) |
| Total equity | | 9,723,676 | | 14,469,342 |
| Commitments (note 18) | | | | |
| Total liabilities and equity | $ | 12,170,048 | $ | 15,728,860 |

See accompanying notes to financial statements.

On behalf of the Board:

*/s/ Ronald Denis*
Dr. Ronald Denis
Chairman of the Board

*/s/ Michel Chartrand*
Michel Chartrand
Director

**ACASTI PHARMA INC.**
Statements of Earnings and Comprehensive Loss

Years ended February 28, 2013 and February 29, 2012

| | February 28, 2013 | February, 29 2012 |
|---|---|---|
| Revenue from sales | $ 724,196 | $ 10,415 |
| Cost of sales | (406,371) | (5,077) |
| Gross profit | 317,825 | 5,338 |
| | | |
| Revenue from research contracts (note 5) | – | 115,966 |
| General and administrative expenses | (4,288,542) | (3,529,384) |
| Research and development expenses, net of tax credits of $370,259 (2012 - $453,316) | (3,009,016) | (3,104,762) |
| Results from operating activities | (6,979,733) | (6,512,842) |
| | | |
| Finance income (note 13) | 47,241 | 43,143 |
| Finance costs (note 13) | (2,685) | (8,962) |
| Foreign exchange gain (loss) | 42,817 | (22,272) |
| Net finance income | 87,373 | 11,909 |
| | | |
| Net loss and total comprehensive loss for the year | $ (6,892,360) | $ (6,500,933) |
| | | |
| Basic and diluted loss per share (note 15) | $ (0.09) | $ (0.10) |
| | | |
| Weighted average number of shares outstanding (note 15) | 72,754,436 | 67,231,636 |

See accompanying notes to financial statements

**ACASTI PHARMA INC.**
Statements of Changes in Equity
Years ended February 28, 2013 and February 29, 2012

| | Share capital | | Warrants | Contributed | | |
|---|---|---|---|---|---|---|
| | Number | Dollar | and rights | surplus | Deficit | Total |
| Balance, February 29, 2012 | 72,636,888 | $ 28,614,550 | $ 313,315 | $ (1,306,451) | $(13,152,072) | $ 14,469,342 |
| Net loss and total comprehensive loss for the year | – | – | – | – | (6,892,360) | (6,892,360) |
| | 72,636,888 | 28,614,550 | 313,315 | (1,306,451) | (20,044,432) | 7,576,982 |
| **Transactions with owners, recorded directly in equity** | | | | | | |
| *Contributions by and distributions to owners* | | | | | | |
| Share-based payment transactions | – | – | 93,372 | 1,823,845 | – | 1,917,217 |
| Warrants exercised | 353,150 | 88,289 | – | – | – | 88,289 |
| Share options exercised | 117,500 | 219,871 | – | (78,683) | – | 141,188 |
| Total contributions by and distributions to owners | 470,650 | 308,160 | 93,372 | 1,745,162 | – | 2,146,694 |
| Balance at February 28, 2013 | 73,107,538 | $ 28,922,710 | $ 406,687 | $ 438,711 | $(20,044,432) | $ 9,723,676 |
| Balance, February 28, 2011 | 59,174,444 | $ 12,174,901 | $ – | $ 181,074 | $ (6,651,139) | $ 5,704,836 |
| Net loss and total comprehensive loss for the year | – | – | – | – | (6,500,933) | (6,500,933) |
| | 59,174,444 | 12,174,901 | – | 181,074 | (13,152,072) | (796,097) |
| **Transactions with owners, recorded directly in equity** | | | | | | |
| *Contributions by and distributions to owners* | | | | | | |
| Issuance of shares through private placement | 1,500,000 | 1,978,600 | – | – | – | 1,978,600 |
| Conversion of convertible redeemable shares | 5,260,000 | 4,052,000 | – | – | – | 4,052,000 |
| Share-based payment transactions | – | – | 313,315 | 1,007,256 | – | 1,320,571 |
| Warrants exercised | 214,500 | 55,500 | – | – | – | 55,500 |
| Share options exercised | 42,500 | 13,252 | – | (4,501) | – | 8,751 |
| Issuance of rights | – | – | 2,490,280 | (2,490,280) | – | – |
| Rights exercised | 6,445,444 | 10,340,297 | (2,490,280) | – | – | 7,850,017 |
| Total contributions by and distributions to owners | 13,462,444 | 16,439,649 | 313,315 | (1,487,525) | – | 15,265,439 |
| Balance at February 29, 2012 | 72,636,888 | $ 28,614,550 | $ 313,315 | $ (1,306,451) | $(13,152,072) | $ 14,469,342 |

See accompanying notes to financial statements.

**ACASTI PHARMA INC.**
Statements of Cash Flows
Years ended February 28, 2013 and February 29, 2012

| | February 28, 2013 | February 29, 2012 |
|---|---|---|
| Cash flows used in operating activities: | | |
| Net loss for the year | $ (6,892,360) | $ (6,500,933) |
| Adjustments: | | |
| Depreciation of equipment | 7,886 | 10,745 |
| Amortization of intangible asset | 657,144 | 657,142 |
| Stock-based compensation | 1,917,217 | 1,320,571 |
| Net finance income | (87,373) | (11,909) |
| Foreign exchange gain (loss) | 42,817 | (22,272) |
| Foreign exchange (gain) loss on cash | (30,148) | 9,484 |
| | (4,384,817) | (4,537,172) |
| Changes in non-cash operating working capital items: | | |
| Trade and other receivables | (8,120) | (250,278) |
| Receivable from corporation under common control | – | (37,277) |
| Tax credits receivable | 254,901 | (349,102) |
| Inventories | 377,331 | (599,456) |
| Prepaid expenses | 24,959 | (27,219) |
| Trade and other payables | (288,779) | 485,057 |
| Payable to parent corporation | 995,832 | (220,538) |
| Royalties payable to parent corporation | 479,801 | (78,936) |
| | 1,835,925 | (1,077,749) |
| Net cash used in operating activities | (2,548,892) | (5,614,921) |
| Cash flows from (used in) investing activities: | | |
| Interest received | 1,778 | 8,126 |
| Acquisition of intangible assets | (103,068) | – |
| Acquisition of short-term investments | – | (7,500,000) |
| Maturity of short-term investments | 2,000,000 | 4,500,000 |
| Net cash from (used in) investing activities | 1,898,710 | (2,991,874) |
| Cash flows from financing activities: | | |
| Proceeds from exercise of warrants and options | 229,477 | 64,251 |
| Net proceeds from exercise of rights | – | 7,850,017 |
| Net proceeds from private placement | – | 1,978,600 |
| Interest paid | (2,685) | (8,962) |
| Net cash from financing activities | 226,792 | 9,883,906 |
| Foreign exchange gain (loss) on cash held in foreign currencies | 30,148 | (9,484) |
| Net (decrease) increase in cash | (393,242) | 1,267,627 |
| Cash, beginning of year | 1,589,810 | 322,183 |
| Cash, end of year | $ 1,196,568 | $ 1,589,810 |
| Supplemental cash flow disclosure: | | |
| Non-cash transactions: | | |
| Conversion of convertible redeemable shares (note 11) | $ – | $ 4,052,000 |

See accompanying notes to financial statements.

## 1. Reporting entity

Acasti Pharma Inc. (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 545, Promenade du Centropolis, Laval, Québec, H7T 0A3. The Corporation is a majority-owned subsidiary of Neptune Technologies and Bioressources Inc. ("Neptune").

On August 7, 2008, the Corporation commenced operations after having acquired from Neptune an exclusive worldwide license to use its intellectual property to develop, clinically study and market new pharmaceutical products to treat human cardiovascular conditions. Neptune's intellectual property is related to the extraction of particular ingredients from marine biomasses, such as krill. The eventual products are aimed at applications in the over-the-counter medicine, medical foods and prescription drug markets.

Operations essentially consist in the development of new products and the conduct of clinical research studies on animals and humans. Almost all research and development, administration and capital expenditures incurred by the Corporation since the start of the operations are associated with the project described above.

The Corporation is subject to a number of risks associated with the successful development of new products and their marketing, the conduct of its clinical studies and their results, the meeting of development objectives set by Neptune in its license agreement, and the establishment of strategic alliances. The Corporation will have to finance its research and development activities and its clinical studies. To achieve the objectives of its business plan, the Corporation plans to establish strategic alliances, raise the necessary capital and make sales. It is anticipated that the products developed by the Corporation will require approval from the U.S Food and Drug Administration and equivalent organizations in other countries before their sale can be authorized.

## 2. Basis of preparation

(a) Statement of compliance:

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorized for issue by the Board of Directors on May 21, 2013.

(b) Going concern**:**

The Corporation has incurred operating losses and negative cash flows from operations since inception. As at February 28, 2013, the Corporation's current liabilities and expected level of expenses in the research and development phase of its drug candidate significantly exceed current assets. The Corporation's liabilities at February 28, 2013 include amounts due to Neptune of $1,739,489. The Corporation plans to rely on the continued support of Neptune to pursue its operations, including obtaining additional funding, if required. The continuance of this support is outside of the Corporation's control. If the Corporation does not receive the continued financial support from its parent or the Corporation does not raise additional funds, it may not be able to realize its assets and discharge its liabilities in the normal course of business. As a result, there exists a material uncertainty that casts substantial doubt about the Corporation's ability to continue as a going concern and, therefore, realize its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on a going concern basis, which assumes the Corporation will continue its operations in the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business. These financial statements do not include any adjustments to the carrying values and classification of assets and liabilities and reported revenues and expenses that may be necessary if the going concern basis was not appropriate for these financial statements.

(c) Basis of measurement:

The financial statements have been prepared on the historical cost basis, except for stock-based compensation which is initially recorded at fair value as detailed in Note 3(g) (ii).

(d) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

**2. Basis of preparation (continued):**

(e) Use of estimates and judgements:

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

Estimates are based on the management's best knowledge of current events and actions that the Corporation 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.

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include the following:

· The use of the going concern basis (Note 2 (b)).

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year include the following:

· Measurement of stock-based compensation (Note 14).

· Allocation of shared costs amongst the Neptune group companies (Note 5).

Also, the Corporation uses its best estimate to determine which research and development ("R&D") expenses qualify for R&D tax credits and in what amounts. The Corporation recognizes the tax credits once it has reasonable assurance that they will be realized. Recorded tax credits are subject to review and approval by tax authorities and, therefore, could be different from the amounts recorded.

**3. Significant accounting policies:**

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(a) Financial instruments:

(i) Non-derivative financial assets:

The Corporation initially recognizes loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Corporation becomes a party to the contractual provisions of the instrument.

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Corporation is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statements of financial position (balance sheets) when, and only when, the Corporation has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Corporation has the following non-derivative financial assets: cash, short-term investments and receivables.

*Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash, trade and other receivables, and short-term investments with maturities of less than one year.

**3. Significant accounting policies (continued):**

(a) Financial instruments (continued):

(i) Non-derivative financial assets (continued):

*Loans and receivables (continued):*

Cash and cash equivalents comprise cash balances and highly liquid investments purchased three months or less from maturity. Bank overdrafts that are repayable on demand and form an integral part of the Corporation's cash management are included as a component of cash and cash equivalents for the purpose of the statements of cash flows.

(ii) Non-derivative financial liabilities:

The Corporation initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the Corporation becomes a party to the contractual provisions of the instrument.

The Corporation derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statements of financial position (balance sheets) when, and only when, the Corporation has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Corporation has the following non-derivative financial liabilities: trade and other payables and payable to parent corporation.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share capital:

*Common shares*

Class A common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

*Preference share capital*

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Corporation's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in profit or loss as accrued.

(iv) Compound financial instruments:

Compound financial instruments issued by the Corporation comprise convertible redeemable shares that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest, dividends, losses and gains relating to the financial liability are recognized in profit or loss. Distributions to the equity holders are recognized in equity, net of any tax benefit.

**3. Significant accounting policies (continued):**

(a) Financial instruments (continued):

(v) Other equity instruments:

Warrants, options and rights issued outside of share-based payment transactions that do not meet the definition of a derivative financial instrument are recognized initially at fair value in equity. Upon simultaneous issuance of multiple equity instruments, consideration received, net of issue costs, is allocated based on their relative fair values. Equity instruments are not subsequently remeasured.

(b) Inventories:

Inventories are measured at the lower of cost and net realizable value. The cost of raw materials and spare parts is based on the weighted-average cost method. The cost of finished goods and work in progress is determined per project and includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition, as well as production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(c) Equipment:

(i) Recognition and measurement:

Equipment is measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets for which the commencement date for capitalization is on or after March 1, 2010.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Gains and losses on disposal of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment, and are recognized net within "other income or expenses" in profit or loss.

(ii) Subsequent costs:

The cost of replacing a part of an equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of equipment are recognized in profit or loss as incurred.

**3. Significant accounting policies (continued):**

(c) Equipment (continued):

(iii) Depreciation:

Depreciation is recognized in profit or loss on either a straight-line basis or a declining basis over the estimated useful lives of each part of an item of equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives and rates for the current and comparative years are as follows:

| Assets | Method | Period/Rate |
|---|---|---|
| Furniture and office equipment | Diminishing balance | 20% to 30% |
| Computer equipment | Straight-line | 3 - 4 years |

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted prospectively if appropriate.

(d) Intangible assets:

(i) Research and development:

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Corporation intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs on qualifying assets for which the commencement date for capitalization is on or after March 1, 2010. Other development expenditures are recognized in profit or loss as incurred.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses. As of the reporting years presented, the Corporation has not capitalized any development expenditure.

(ii) Other intangible assets:

*Licenses*

Licenses that are acquired by the Corporation and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

*Patent costs*

Patents for technologies that are no longer in the research phase are recorded at cost. Patent costs include legal fees to obtain patents and patent application fees. When the technology is still in the research phase, those costs are expensed as incurred.

(iii) Subsequent expenditure:

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

**3. Significant accounting policies (continued):**

(d) Intangible assets (continued):

(iv) Amortization:

Amortization is calculated over the cost of the asset less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative years are as follows:

| Assets | Period |
|---|---|
| License | 14 years |
| Patents | 20 years |

(e) Leased assets:

Leases where the lessor retains the risks and rewards of ownership are treated as operating leases. Payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

(f) Impairment:

(i) Financial assets (including receivables):

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Corporation on terms that the Corporation would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

The Corporation considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Corporation uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets:

The carrying amounts of the Corporation's non-financial assets, other than inventories and tax credits receivable are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

**3. Significant accounting policies (continued):**

(f) Impairment (continued):

(ii) Non-financial assets (continued):

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Corporation's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Employee benefits:

(i) Short-term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Corporation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Share-based payment transactions:

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in contributed surplus, over the period that the employees unconditionally become entitled to the awards. The grant date fair value takes into consideration market performance conditions when applicable. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

Share-based payment arrangements in which the Corporation receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Corporation.

Share-based payment transactions include those initiated by Neptune for the benefit of administrators, officers, employees and consultants that provide services to the consolidated group. The Corporation is under no obligation to settle these arrangements and, therefore, also accounts for them as equity-settled share-based payment transactions.

The expense recognized by the Corporation under these arrangements corresponds to the estimated fraction of services that the grantees provide to the Corporation out of the total services they provide to the Neptune group of corporations.

**3. Significant accounting policies (continued):**

(g) Employee benefits (continued):

(iii) Termination benefits:

Termination benefits are recognized as an expense when the Corporation is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Corporation has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting year, then they are discounted to their present value.

(h) Provisions:

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(i) Onerous contracts:

A provision for onerous contracts is recognized when the expected benefits to be derived by the Corporation from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Corporation recognizes any impairment loss on the assets associated with that contract.

(ii) Contingent liability:

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Corporation; or a present obligation that arises from past events (and therefore exists), but is not recognized because it is not probable that a transfer or use of assets, provision of services or any other transfer of economic benefits will be required to settle the obligation; or the amount of the obligation cannot be estimated reliably.

(i) Revenue:

(i) Sale of goods:

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

The timing of the transfers of risks and rewards varies depending on the individual terms of the contract of sale.

(ii) Research services:

Revenue from research contracts is recognized in profit or loss when services to be provided are rendered and all conditions under the terms of the underlying agreement are met.

(j) Government grants:

Government grants consisting of investment tax credits are recorded as a reduction of the related expense or cost of the asset acquired. Government grants are recognized when there is reasonable assurance that the Corporation has met the requirements of the approved grant program and there is reasonable assurance that the grant will be received.

**3. Significant accounting policies (continued):**

(j) Government grants (continued):

Grants that compensate the Corporation for expenses incurred are recognized in profit or loss in reduction thereof on a systematic basis in the same years in which the expenses are recognized. Grants that compensate the Corporation for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the asset.

(k) Lease payments:

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for in the year in which they are incurred.

(l) Foreign currency:

Transactions in foreign currencies are translated into the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(m) Finance income and finance costs:

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial derivative liabilities at fair value through profit or loss, and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

The Corporation recognizes interest income as a component of investing activities and interest expense as a component of financing activities in the statements of cash flows.

(n) Income tax:

Income tax expense comprises current and deferred taxes. Current and deferred taxes are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

**3. Significant accounting policies (continued):**

(n) Income tax (continued):

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(o) Earnings per share:

The Corporation presents basic and diluted earnings per share ("EPS") data for its Class A shares. Basic EPS is calculated by dividing the profit or loss attributable to the holders of Class A shares of the Corporation by the weighted average number of common shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to the holders of Class A shares and the weighted average number of Class A shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise convertible debentures, redeemable shares, warrants, rights and share options granted to employees.

(p) Segment reporting:

An operating segment is a component of the Corporation that engages in business activities from which it may earn revenues and incur expenses. The Corporation has one reportable operating segment: the development and commercialization of pharmaceutical applications of its licensed rights for cardiovascular diseases. All of the Corporation's assets are located in Canada.

(q) New standards and interpretations not yet adopted:

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended February 28, 2013, and have not been applied in preparing these financial statements.

(i) Financial instruments:

In November 2009 the IASB issued IFRS 9 *Financial Instruments* (IFRS 9 (2009)), and in October 2010, the IASB published amendments to IFRS 9 (IFRS 9 (2010)).

IFRS 9 (2009) replaces the guidance in IAS 39 *Financial Instruments: Recognition and Measurement*, on the classification and measurement of financial assets. The Standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale and loans and receivable. Financial assets will be classified into one of two categories on initial recognition:

· financial assets measured at amortized cost; or

· financial assets measured at fair value.

Gains and losses on remeasurement of financial assets measured at fair value will be recognized in profit or loss, except that for an investment in an equity instrument which is not held-for-trading. IFRS 9 provides, on initial recognition, an irrevocable election to present all fair value changes from the investment in other comprehensive income ("OCI"). The election is available on an individual share-by-share basis. Amounts presented in OCI will not be reclassified to profit or loss at a later date.

IFRS 9 (2010) added guidance to IFRS 9 (2009) on the classification and measurement of financial liabilities, and this guidance is consistent with the guidance in IAS 39, except as described below.

**3. Significant accounting policies (continued):**

(q) New standards and interpretations not yet adopted (continued):

(i) Financial instruments (continued):

Under IFRS 9 (2010), for financial liabilities measured at fair value under the fair value option, changes in fair value attributable to changes in credit risk will be recognized in OCI, with the remainder of the change recognized in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, the entire change in fair value will be recognized in profit or loss. Amounts presented in OCI will not be reclassified to profit or loss at a later date.

IFRS 9 (2010) supersedes IFRS 9 (2009) and is effective for annual periods beginning on or after January 1, 2015, with early adoption permitted. The extent of the impact of adoption of IFRS 9 (2010) has not yet been determined.

(ii) Fair value:

In May 2011, the IASB published IFRS 13, *Fair Value Measurement*, which is effective prospectively for annual periods beginning on or after January 1, 2013. The disclosure requirements of IFRS 13 need not be applied in comparative information for years before initial application.

IFRS 13 replaces the fair value measurement guidance contained in individual IFRS with a single source of fair value measurement guidance. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price. The standard also establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements to provide information that enables financial statement users to assess the methods and inputs used to develop fair value measurements and, for recurring fair value measurements that use significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income.

IFRS 13 explains 'how' to measure fair value when it is required or permitted by other IFRS. IFRS 13 does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

The Corporation intends to adopt IFRS 13 prospectively in its financial statements for the annual period beginning on March 1, 2013. The extent of the impact of adoption of IFRS 13 has not yet been determined.

(iii) Amendments to IAS 19, *Employee Benefits*:

In June 2011, the IASB published an amended version of IAS 19, *Employee Benefits*. Adoption of the amendment is required for annual periods beginning on or after January 1, 2013, with early adoption permitted. The amendment is generally applied retrospectively with certain exceptions.

The amendments change the definition of short-term employee benefits and also impacts termination benefits, which would now be recognized at the earlier of when the entity recognizes costs for a restructuring within the scope of IAS 37, *Provisions*, and when the entity can no longer withdraw the offer of the termination benefits.

The Corporation intends to adopt the amendments in its financial statements for the annual period beginning on March 1, 2013. The extent of the impact of adoption of the amendments has not yet been determined.

**4. Trade and other receivables:**

| | February 28, 2013 | February 29, 2012 |
|---|---|---|
| Trade receivables | $ 175,420 | $ 5,446 |
| Sales taxes receivable | 92,213 | 253,344 |
| Accrued and other receivables | 183,205 | 183,928 |
| | $ 450,838 | $ 442,718 |

The Corporation's exposure to credit and currency risks related to trade and other receivables is presented in Note 17.

**5. Related parties:**

The Corporation was charged by Neptune for certain costs incurred by Neptune for the benefit of the Corporation and for royalties, as follows:

| | February 28, 2013 | February 29, 2012 |
|---|---|---|
| Administrative costs | $ 943,264 | $ 949,728 |
| Research and development costs, before tax credits | 678,439 | 731,851 |
| Royalties (note 18) | 450,342 | 257,807 |
| | $ 2,072,045 | $ 1,939,386 |

Where Neptune incurs specific incremental costs for the benefit of the Corporation, it charges those amounts directly. Costs that benefit more than one entity of the Neptune group are being charged by allocating a fraction of costs incurred by Neptune that is commensurate to the estimated fraction of services or benefits received by each entity for those items.

These charges do not represent all charges incurred by Neptune that may have benefited the Corporation, because, amongst others, Neptune does not allocate certain common office expenses and does not charge interest on indebtedness. Also, these charges do not necessarily represent the cost that the Corporation would otherwise need to incur, should it not receive these services or benefits through the shared resources of Neptune or receive financing from Neptune.

Revenue from sales:

The Corporation recognized sales to Neptune in the amount of $41,000 during the year ended February 28, 2013 (nil in 2012). These transactions are in the normal course of operations.

Revenue from research contracts:

The Corporation charged Neptune and a corporation under common control for research and development work performed for their benefit in the amount of $92,703 and $23,263, respectively, during the year ended February 29, 2012, (nil in 2013). These transactions are in the normal course of operations.

Payable to parent corporation:

Payable to parent corporation has no specified maturity date for payment or reimbursement and does not bear interest.

Key management personnel compensation:

The key management personnel of the Corporation are the members of the Board of Directors and certain officers. They control 3% of the voting shares of the Corporation.

**5. Related parties (continued):**

Key management personnel compensation includes the following for the years ended February 28, 2013 and February 29, 2012:

| | February 28, 2013 | February 29, 2012 |
|---|---|---|
| Short-term employee benefits | $ 806,596 | $ 698,382 |
| Share-based compensation costs | 1,504,471 | 546,939 |
| | $ 2,311,067 | $ 1,245,321 |

**6. Tax credits receivable:**

Tax credits comprise research and development investment tax credits receivable from the 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.

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

| | |
|---|---|
| 2029 | $ 11,000 |
| 2030 | 40,000 |
| 2031 | 45,000 |
| 2032 | 431,000 |
| 2033 | 330,000 |
| | $ 857,000 |

**7. Inventories:**

| | February 28, 2013 | February 29, 2012 |
|---|---|---|
| Raw materials | $ 44,772 | $ 57,950 |
| Work in progress | 1,033 | 311,378 |
| Finished goods | 176,320 | 230,128 |
| | $ 222,125 | $ 599,456 |

For the year ended February 28, 2013, the cost of sales of $406,371 ($5,077 in 2012) was comprised of inventory costs of $391,821 ($5,077 in 2012) which consisted of raw materials, changes in work in progress and finished goods, and other costs of $14,550 (nil in 2012).

**8. Equipment:**

| | Furniture and office equipment | Computer equipment | Total |
|---|---|---|---|
| **Cost:** | | | |
| Balance at February 28, 2011, February 29, 2012 and February 28, 2013 | $ 58,706 | $ 3,691 | $ 62,397 |
| **Accumulated depreciation:** | | | |
| Balance at February 28, 2011 | 23,143 | 1,345 | 24,488 |
| Depreciation for the year | 9,638 | 1,107 | 10,745 |
| Balance at February 29, 2012 | 32,781 | 2,452 | 35,233 |
| Depreciation for the year | 6,952 | 934 | 7,886 |
| Balance at February 28, 2013 | $ 39,733 | $ 3,386 | $ 43,119 |
| **Net carrying amounts:** | | | |
| February 29, 2012 | $ 25,925 | $ 1,239 | $ 27,164 |
| February 28, 2013 | 18,973 | 305 | 19,278 |

Depreciation expense for the years ended February 28, 2013 and February 29, 2012 has been recorded in “general and administrative expenses” in the statements of earnings and comprehensive loss.

**9. Intangible assets:**

| | Patents | License | Total |
|---|---|---|---|
| **Cost:** | | | |
| Balance at February 28, 2011 and February 29, 2012 | $ – | $9,200,000 | $ 9,200,000 |
| Additions | 103,068 | – | 103,068 |
| Balance at February 28, 2013 | 103,068 | 9,200,000 | 9,303,068 |
| **Accumulated amortization:** | | | |
| Balance at February 28, 2011 | – | 1,697,620 | 1,697,620 |
| Amortization for the year | – | 657,142 | 657,142 |
| Balance at February 29, 2012 | – | 2,354,762 | 2,354,762 |
| Amortization for the year | – | 657,144 | 657,144 |
| Balance at February 28, 2013 | $ – | $3,011,906 | $ 3,011,906 |
| **Net carrying amounts:** | | | |
| February 29, 2012 | $ – | $6,845,238 | $ 6,845,238 |
| February 28, 2013 | 103,068 | 6,188,094 | 6,291,162 |

Amortization expense for the years ended February 28, 2013 and February 29, 2012 has been recorded in “general and administrative expenses” in the statements of earnings and comprehensive loss.

**10. Trade and other payables:**

| | February 28, 2013 | February 29, 2012 |
|---|---|---|
| Trade payables | $ 325,115 | $ 549,241 |
| Accrued liabilities and other payables | 160,572 | 170,098 |
| Employee salaries and benefits payable | 221,196 | 276,323 |
| | $ 706,883 | $ 995,662 |

The Corporation's exposure to currency and liquidity risks related to trade and other payables is presented in Note 17.

**11. Capital and other components of equity**

(a) Share capital:

Authorized capital stock:

Unlimited number of shares:

- Class A shares, voting (one vote per share), participating and without par value
- 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 for said shares. Class B shares are convertible, at the holder's discretion, into Class A shares, on a one-for-one basis, and Class B shares are redeemable at the holder's discretion for $0.80 per share, subject to certain conditions.
- Class C shares, non-voting, non-participating, without par value and maximum annual non-cumulative dividend of 5% on the amount paid for said shares. Class C shares are convertible, at the holder's discretion, into Class A shares, on a one-for-one basis, and Class C shares are redeemable at the holder's discretion for $0.20 per share, subject to certain conditions.
- Class D and E shares, non-voting, non-participating, without par value and maximum monthly non-cumulative dividend between 0.5% and 2% on the amount paid for said shares. Class D and E shares are convertible, at the holder's discretion, into Class A shares, on a one-for-one basis, and Class D and E shares are redeemable at the holder's discretion, subject to certain conditions.

| | Class A shares (classified as equity) | |
|---|---|---|
| | Number outstanding | Amount |
| Balance February 28, 2013 | 73,107,538 | $28,922,710 |
| Balance February 29, 2012 | 72,636,888 | 28,614,550 |

On March 21, 2011, the outstanding Class B and Class C shares, 5,000,000 and 260,000, respectively, were converted into Class A shares by their holders on a 1:1 basis (the "Conversion"). Following the Conversion, the liability for convertible redeemable shares in the amount of $4,052,000 was extinguished, and the number of issued and outstanding Class A shares of the Corporation was 64,434,444.

**11. Capital and other components of equity (continued):**

(b) Private placement:

On February 13, 2012, the Corporation closed a private placement financing for gross proceeds of $1,993,600 from Neptune and an officer of the Corporation.

Half of the proceeds came from Neptune for 750,000 common shares at $1.33 per share. The other portion of the proceeds came from an officer of the Corporation for 750,000 common shares at $1.33 per share and warrants (the "Series 6" and "Series 7" warrants) to purchase 750,000 additional shares. The warrants to purchase additional shares will be exercisable at a price of $1.50 per share for 36 months following their issue date. Total issue costs related to these transactions amounted to $15,000.

The warrants issued to the officer were determined to constitute stock-based compensation. Series 7 warrants are subject to vesting in equal installments over four semesters, subject to continued service and attainment of market (187,500 warrants) and non-market performance conditions (187,500 warrants).

The fair value of the warrants that are not subject to market condition was estimated according to the Black-Scholes option pricing model based on the following assumptions:

| | 2012 |
|---|---|
| Dividend yield | – |
| Risk-free interest rate | 1.13% |
| Estimated life | 3 years |
| Expected volatility | 85.77% |

The fair value of the warrants subject to market conditions was estimated using a binomial model using the same assumptions as above, as well as factors that reflect the probability of the conditions being met.

The fair value of warrants granted was determined to be $0.83 per warrant. The Corporation recognized an expense of $93,372 for this grant during the year ended February 28, 2013 ($313,315 in 2012).

(c) Warrants:

The warrants of the Corporation are composed of the following as at February 28, 2013 and February 29, 2012:

| | February 28, 2013 | | February 29, 2012 | |
|---|---|---|---|---|
| | Number outstanding | Amount | Number outstanding | Amount |
| **Equity** | | | | |
| Series 4 warrants | 5,432,350 | $ – | 5,785,500 | $ – |
| Private placement warrants | | | | |
| Series 6 warrants | 375,000 | 306,288 | 375,000 | 306,288 |
| Series 7 warrants | 375,000 | 100,399 | 375,000 | 7,027 |
| | 6,182,350 | $ 406,687 | 6,535,500 | $ 313,315 |

**11. Capital and other components of equity (continued):**

(c) Warrants (continued):

- Series 4 allows the holder to purchase one Class A share for $0.25 per share until October 8, 2013.

- Series 6 allows the holder to purchase one Class A share for $1.50 per share until February 10, 2015.

- Series 7 allows the holder to purchase one Class A share for $1.50 per share until February 10, 2015 subject to the achievement of certain agreed upon and predefined milestones.

(d) Rights:

On July 5, 2011, the Corporation issued to the holders of outstanding Class A shares transferable rights to subscribe to Class A shares. Each registered holder of Class A shares received one right for each Class A share held, representing a total of 64,454,444 rights. Ten rights plus the sum of $1.25 are required to subscribe to one Class A share. On September 14, 2011, the offering expired oversubscribed and, accordingly, the maximum number of shares available for issuance was issued for a total of 6,445,444 shares representing gross proceeds of $8,056,805. Transaction costs related to the rights offering amounted to $206,788.

**12. Personnel expenses:**

| | February 28, 2013 | February 29, 2012 |
|---|---|---|
| Salaries and other short-term employee benefits | $ 1,486,391 | $ 1,507,026 |
| Share-based compensation | 1,728,982 | 1,228,466 |
| | $ 3,215,373 | $ 2,735,492 |

Share-based compensation does not include $188,235 (2012 - $92,105) of compensation to non-employee directors and consultants.

**13. Finance income and finance costs:**

(a) Finance income:

| | February 28, 2013 | February 29, 2012 |
|---|---|---|
| Interest income | $ 47,241 | $ 43,143 |

(b) Finance costs:

| | February 28, 2013 | February 29, 2012 |
|---|---|---|
| Interest charges | $ (2,685) | $ (8,962) |

**14. Share-based payment:**

Description of the share-based payment arrangements:

At February 28, 2013, the Corporation has the following share-based payment arrangements:

(a) Corporation stock-based compensation plan:

The Corporation has established a stock-based compensation plan for administrators, officers, employees and consultants. The plan provides for the granting of options to purchase Acasti Class A shares. The exercise price of the stock options granted under the plan is not lower than the closing price of the shares listed on the eve of the grant. Under this plan, the maximum number of options that can be issued equal the lower of 1,530,000 or 10% of Acasti Class A shares held by public shareholders, as approved annually by such shareholders. On March 21, 2011, the Corporation's Board of Directors amended the incentive stock option plan (the "Plan"). The amendments to the Plan were approved by the shareholders on June 22, 2011. The main modification to the Plan consists of an increase in the number of shares reserved for issuance of incentive stock options under the Plan to 6,443,444. On June 21, 2012, the Corporation's shareholders approved the renewal of the Corporation stock option plan, under which the maximum number of options that can be issued is 7,269,379, corresponding to 10% of the shares outstanding as of the date of shareholders' approval. The terms and conditions for acquiring and exercising options are set by the Corporation's Board of Directors, subject, among others, to the following limitations: the term of the options cannot exceed ten years and every stock option granted under the stock option plan will be subject to conditions no less restrictive than a minimal vesting period of 18 months, a gradual and equal acquisition of vesting rights, at least on a quarterly basis. The total number of shares issued to a single person cannot exceed 5% of the Corporation's total issued and outstanding shares, with the maximum being 2% for any one consultant.

Activities within the plan are detailed as follows:

| | Year ended February 28, 2013 | | Year ended February 29, 2012 | |
|---|---|---|---|---|
| | Weighted average exercise price | Number of options | Weighted average exercise price | Number of options |
| Outstanding at beginning of year | $ 1.15 | 3,347,500 | $ 0.25 | 800,000 |
| Granted | 2.14 | 2,350,000 | 1.42 | 2,660,000 |
| Exercised | 1.20 | (117,500) | 0.25 | (42,500) |
| Forfeited | 1.80 | (363,750) | 1.43 | (70,000) |
| Outstanding at end of year | $ 1.55 | 5,216,250 | $ 1.15 | 3,347,500 |
| Exercisable at end of year | $ 1.14 | 2,421,832 | $ 0.69 | 1,172,500 |

**14. Share-based payment (continued):**

(a) Corporation stock-based compensation plan (continued):

| | | | | 2013 |
|---|---|---|---|---|
| | Options outstanding | | Exercisable options | |
| Exercise price | Weighted remaining contractual life outstanding | Number of options outstanding | Number of options exercisable | Weighed average exercise price $ |
| $0.25 - $1.00 | 5.57 | 756,250 | 737,500 | 0.25 |
| $1.01 - $1.50 | 3.30 | 2,200,000 | 1,344,750 | 1.40 |
| $1.51 - $2.00 | 1.45 | 100,000 | 100,000 | 1.80 |
| $2.01 - $2.50 | 3.97 | 2,090,000 | 239,582 | 2.11 |
| $2.51 - $3.00 | 2.81 | 70,000 | - | - |
| | 3.86 | 5,216,250 | 2,421,832 | 1.14 |

The options outstanding under the plan have a weighted average remaining life of 3.86 years as at February 28, 2013 (2012 – 4.78 years).

The fair value of options granted has been estimated according to the Black-Scholes option pricing model and based on the weighted average of the following assumptions for options granted during the year:

| | 2013 | 2012 |
|---|---|---|
| Share price | $ 2.13 | $ 1.39 |
| Dividend | - | - |
| Risk-free interest | 1.32% | 1.86% |
| Estimated life | 4.04 years | 4.01 years |
| Expected volatility | 71.48% | 76.28% |

The weighted average of the fair value of the options granted to employees during the year ended February 28, 2013 is $1.14 (2012 - $0.79).

The weighted average share price at the date of exercise for share options exercised during the year ended February 28, 2013 was $2.44 (2012 - $1.62). The portion of services employees provided to the Corporation was estimated to be 50% of services provided to the group (2012 - 43%). Accordingly, stock-based compensation recognized under this plan amounted to $977,690 for the year ended February 28, 2013 (2012 - $393,798).

**14. Share-based payment (continued):**

(b) Neptune stock-based compensation plan:

Neptune maintains various stock-based compensation plans for the benefit of administrators, officers, employees and consultants that provide services to its consolidated group, including the Corporation. The Corporation records as stock-based compensation expense a portion of the expense being recorded by Neptune that is commensurate to the fraction of overall services that the grantees provide directly to the Corporation.

(i) Neptune stock options:

During the year ended February 28, 2013, Neptune granted 5,520,000 Neptune stock options to group employees (2012 - 1,575,000). The options granted had a weighted average exercise price of $3.23 per share and are vesting over a period of 18 months, subject to continued service (2012 - $3.05). The fair value of the options granted has been estimated according to the Black-Scholes option pricing model based on the following weighted average assumptions:

| | 2013 | 2012 |
|---|---|---|
| Share price | $ 3.06 | $ 2.82 |
| Dividend yield | 0.01% | 0.02% |
| Risk-free interest rate | 1.15% | 1.17% |
| Estimated life | 2.71 years | 2.67 years |
| Expected volatility | 65.18% | 72.52% |

The weighted average of the fair value of the options granted to employees during the year is $1.15 per share (2012 - $1.23). The portion of services provided to the Corporation was estimated to be 13% of the total services provided to the group (2012 - 25%), representing stock-based compensation in the amount of $663,484 for the year ended February 28, 2013 (2012 - $487,894).

(ii) Neptune-owned NeuroBioPharm Inc. warrants:

During the year ended February 28, 2013, Neptune granted rights over 875,000 NeuroBioPharm Inc. Series 2011-2 warrants to group employees (2012 – 2,174,279). NeuroBioPharm Inc. is also a subsidiary of Neptune. The rights granted had a weighted average exercise price of $0.75 per share (2012 - $0.67) and are vesting gradually until April 12, 2016, subject to continued service or having reached four years of continued service for directors. The fair value of the rights granted has been estimated according to the Black-Scholes option pricing model based on the following weighted average assumptions:

| | 2013 | 2012 |
|---|---|---|
| Share price | $ 0.10 | $ 0.10 |
| Dividend yield | - | - |
| Risk-free interest rate | 1.21% | 1.81% |
| Estimated life | 2.95 years | 3.09 years |
| Expected volatility | 73.30% | 75% |

The weighted average of the fair value of the rights granted to employees during the year ended February 28, 2013 is $0.01 per share (2012 - $0.01). The portion of services those employees provide to the Corporation was estimated to be 49% of the total services they provide to the group (2012 - 34%), representing stock-based compensation in the amount of $24,025 for the year ended February 28, 2013 (2012 - $27,931).

**14. Share-based payment (continued):**

(b) Neptune stock-based compensation plan (continued):

(iii) Neptune-owned Acasti warrants:

During the year ended February 28, 2013, no rights were granted over Neptune-owned Acasti warrants or shares to group employees (2012 - 540,000). The rights granted in the year ended February 29, 2012 had a weighted average exercise price of $1.42 per share and are vesting gradually until February 10, 2015, subject to continued service or having reached four years of continued service for directors. The fair value of the rights granted in 2012 has been estimated according to the Black-Scholes option pricing model based on the weighted average of the following assumptions:

| | 2012 |
|---|---|
| Share price | $ 1.21 |
| Dividend yield | - |
| Risk-free interest rate | 1.71% |
| Estimated life | 2.38 years |
| Expected volatility | 71.56% |

The weighted average of the fair value of the rights granted to employees during the year ended February 29, 2012 is $0.51 per share. The portion of services those employees provide to the Corporation was estimated to be 88% of the total services they provide to the group (2012 - 65%), representing stock-based compensation in the amount of $144,438 for the year ended February 28, 2013 (2012 - $97,633).

(iv) Neptune-owned NeuroBioPharm Inc. call-options:

During the year ended February 28, 2013, Neptune granted 2,500,000 call-options on NeuroBioPharm shares to group employees. The call-options granted in the year had a weighted average exercise price of $0.75 per share. The fair value of the call-options granted during the year has been estimated according to the Black-Scholes option pricing model based on the weighted average of the following assumptions:

| | 2013 |
|---|---|
| Share price | $ 0.10 |
| Dividend yield | - |
| Risk-free interest rate | 1.12% |
| Estimated life | 2.89 years |
| Expected volatility | 64.71% |

The weighted average of the fair value of the call-options granted to employees during the year ended February 28, 2013 is nil. The portion of services those employees provide to the Corporation was estimated to be 21% of the total services they provide to the group, representing stock-based compensation in the amount of $390 for the year ended February 28, 2013.

**14. Share-based payment (continued):**

(b) Neptune stock-based compensation plan (continued):

(v) Neptune-owned Acasti call-options:

During the year ended February 28, 2013, Neptune granted 2,345,000 call-options on Acasti shares to group employees. The call-options granted in the year had a weighted average exercise price of $2.75 per share. The fair value of the call-options granted during the year has been estimated according to the Black-Scholes option pricing model based on the weighted average of the following assumptions:

| | 2013 |
|---|---|
| Share price | $ 2.69 |
| Dividend yield | - |
| Risk-free interest rate | 1.13% |
| Estimated life | 2.89 years |
| Expected volatility | 82.25% |

The weighted average of the fair value of the call-options granted to employees during the year ended February 28, 2013 is $1.39 per share. The portion of services those employees provide to the Corporation was estimated to be 26% of the total services they provide to the group, representing stock-based compensation in the amount of $107,190 for the year ended February 28, 2013.

**15. Earnings (loss) per share:**

The calculation of basic loss per share at February 28, 2013 was based on the net loss attributable to owners of the Corporation of $6,892,360 (2012 - $6,500,933) and a weighted average number of common shares outstanding of 72,754,436 (2012 – 67,231,636).

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

**16. Income taxes:**

Deferred tax expense:

| | 2013 | 2012 |
|---|---|---|
| Origination and reversal of temporary differences | $ 1,235,673 | $ 865,847 |
| Change in unrecognized deductible temporary differences | (1,235,673) | (865,847) |
| Deferred tax expense | $ - | $ - |

**16. Income taxes (continued):**

Reconciliation of effective tax rate:

| | 2013 | 2012 |
|---|---|---|
| Loss before income taxes | $(6,892,360) | $(6,500,933) |
| Income tax at the combined Canadian statutory rate | $(1,854,045) | $(1,830,013) |
| Increase resulting from: | | |
| Change in unrecognized deductible temporary differences | 1,235,673 | 865,847 |
| Non-deductible stock-based compensation | 515,732 | 371,741 |
| Permanent differences and other | 102,640 | 592,425 |
| Total tax expense | $ - | $ - |

The applicable statutory tax rates are 26.9% in 2013 and 28.15% in 2012. The Corporation's applicable tax rate is the Canadian combined rates applicable in the jurisdiction in which the Corporation operates. The decrease is due to the reduction of the Federal income tax rate in 2013.

Unrecognized deferred tax assets:

At February 28, 2013 and February 29, 2012, the deferred tax assets, which have not been recognized in these financial statements because the criteria for recognition of these assets were not met, were as follows:

| | 2013 | 2012 |
|---|---|---|
| Tax losses carried forward | $2,570,000 | $1,852,000 |
| Research and development expenses | 1,185,000 | 709,000 |
| Intangible assets | 186,000 | 146,000 |
| Other deductible temporary differences | 40,000 | 38,000 |
| Unrecognized deferred tax assets | $3,981,000 | $2,745,000 |

As at February 28, 2013, the amounts and expiry dates of tax attributes and temporary differences, which are available to reduce future years' taxable income, were as follows:

| | Federal | Provincial |
|---|---|---|
| Tax losses carried forward | | |
| 2029 | $ 714,000 | $ 714,000 |
| 2030 | 1,627,000 | 1,621,000 |
| 2031 | 2,071,000 | 2,063,000 |
| 2032 | 2,262,000 | 2,241,000 |
| 2033 | 2,894,000 | 2,894,000 |
| | $9,568,000 | $9,533,000 |
| | | |
| Research and development expenses, without time limitation | $3,954,000 | $4,970,000 |
| | | |
| Other deductible temporary differences, without time limitation | $ 841,600 | $ 841,600 |

**17. Financial instruments:**

This note provides disclosures relating to the nature and extent of the Corporation's exposure to risks arising from financial instruments, including credit risk, exchange risk, interest rate risk and liquidity risk, and how the Corporation manages those risks.

(a) Credit risk:

Credit risk is the risk of a loss if a customer or counterparty to a financial asset fails to meet its contractual obligations, and arises primarily from the Corporation's trade receivables. The Corporation may also have credit risk relating to cash and short-term investments, which it manages by dealing only with highly-rated Canadian institutions. The carrying amount of financial assets, as disclosed in the statements of financial position, represents the Corporation's credit exposure at the reporting date. The Corporation's trade receivables and credit exposure fluctuate throughout the year. The Corporation's average trade receivables and credit exposure during the year may be higher than the balance at the end of that reporting year.

The Corporation's credit risk for trade receivables is concentrated, as the majority of its sales are to one customer. As at February 28, 2013, the Corporation had seven trade debtors. Most sales' payment terms are set in accordance with industry practice. One customer represents 97% of total trade accounts included in trade and other receivables as at February 28, 2013.

Most of the Corporation's clients are distributors for a given territory and are privately-held enterprises. The profile and credit quality of the Corporation's retail customers vary significantly. Adverse changes in a customer's financial position could cause the Corporation to limit or discontinue conducting business with that customer, require the Corporation to assume more credit risk relating to that customer's future purchases or result in uncollectible accounts receivable from that customer. Such changes could have a material adverse effect on business, results of operations, financial condition and cash flows.

The Corporation's extension of credit to customers involves considerable judgment and is based on an evaluation of each customer's financial condition and payment history. The Corporation has established various internal controls designed to mitigate credit risk, including a credit analysis by the insurer which recommends customers' credit limits and payment terms that are reviewed and approved by the Corporation. The Corporation reviews periodically the insurer's maximum credit quotation for each of its clients. New clients are subject to the same process as regular clients. The Corporation has also established procedures to obtain approval by senior management to release goods for shipment when customers have fully-utilized approved insurers credit limits. From time to time, the Corporation will temporarily transact with customers on a prepayment basis where circumstances warrant.

While the Corporation's credit controls and processes have been effective in mitigating credit risk, these controls cannot eliminate credit risk and there can be no assurance that these controls will continue to be effective, or that the Corporation's low credit loss experience will continue.

Customers do not provide collateral in exchange for credit, except in unusual circumstances. Receivables from selected customers are covered by credit insurance, with coverage amount usually of 100% of the invoicing, with the exception of some customers under specific terms. The information available through the insurers is the main element in the decision process to determine the credit limits assigned to customers.

The Corporation provides for trade receivable accounts to their expected realizable value as soon as the account is determined not to be fully collectible, with such write-offs charged to earnings unless the loss has been provided for in prior yeas, in which case the write-off is applied to reduce the allowance for doubtful accounts. The Corporation updates its estimate of the allowance for doubtful accounts, based on evaluations of the collectability of trade receivable balances at each reporting date, taking into account amounts which are past due, and any available information indicating that a customer could be experiencing liquidity or going concern problems.

**17. Financial instruments (continued):**

(a) Credit risk (continued):

The aging of trade receivable balances and the allowance for doubtful accounts as at February 28, 2013 were as follows:

| | February 28, 2013 |
|---|---|
| Current | $ 185 |
| Past due 0-30 days | - |
| Past due 31-120 days | 174,860 |
| Past due 121-180 days | 2,945 |
| Trade receivables | 177,990 |
| Less allowance for doubtful accounts | (2,570) |
| | $ 175,420 |

The allowance for doubtful accounts is for customer accounts over 121 days past due.

There was no movement in allowance for doubtful accounts in respect of trade receivables during the year ended February 28, 2013.

(b) Exchange risk:

The Corporation is not exposed to any significant exchange risks, as it did not have any significant assets or liabilities denominated in foreign currencies.

(c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates.

The Corporation's exposure to interest rate risk as at the following dates is as follows:

| | February 28, 2013 |
|---|---|
| Cash | Short-term fixed interest rate |
| Short-term investments | Short-term fixed interest rate |

| | February 29, 2012 |
|---|---|
| Cash | Short-term fixed interest rate |
| Short-term investments | Short-term fixed interest rate |

The capacity of the Corporation to reinvest the short-term amounts with equivalent return will be impacted by variations in short-term fixed interest rates available on the market.

**17. Financial instruments (continued):**

(d) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk through the management of its capital structure and financial leverage, as outlined in Note 20. 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 the most important material transactions outside the normal course of business.

The following are the contractual maturities of financial liabilities as at February 28, 2013 and February 29, 2012:

| | | | | | February 28, 2013 |
|---|---|---|---|---|---|
| Required payments per year (in thousands of dollars) | Total | Carrying amount | Less than 1 year | 1 to 5 years | More than 5 years |
| Trade and other payables | $ 707 | $ 707 | $ 707 | $ - | $ - |
| Payable to parent corporation | 1,210 | 1,210 | 1,210 | - | - |
| Royalties payable to parent corporation | 529 | 529 | 529 | - | - |
| | $ 2,446 | $ 2,446 | $ 2,446 | $ - | $ - |

| | | | | | February 29, 2012 |
|---|---|---|---|---|---|
| Required payments per year (in thousands of dollars) | Total | Carrying amount | Less than 1 year | 1 to 5 years | More than 5 years |
| Trade and other payables | $ 996 | $ 996 | $ 996 | $ - | $ - |
| Payable to parent corporation | 215 | 215 | 215 | - | - |
| Royalties payable to parent corporation | 49 | 49 | 49 | - | - |
| | $ 1,260 | $ 1,260 | $ 1,260 | $ - | $ - |

The Corporation plans to rely on the continued financial support of Neptune to pursue its operations, including obtaining additional funding, if necessary (see Note 2 (b)).

(e) Short-term investments

As at February 28, 2013, short-term investments are with a Canadian financial institution having a high credit rating. Short-term investments have a maturity date of May 8, 2013, a weighted average interest rate of 1.21% and are cashable at any time at the discretion of the Corporation, under certain conditions.

As at February 29, 2012, short-term investments are with a Canadian financial institution having a high credit rating. Short-term investments have maturity dates of September 26, 2012 and December 20, 2012, a weighted average interest rate of 0.86% and are cashable at any time at the discretion of the Corporation, under certain conditions.

**18. Commitments:**

*License agreement:*

The Corporation is committed under a license agreement to pay Neptune until the expiration of Neptune's patents on licensed intellectual property, a royalty equal to the greater of the minimum royalty payments and the sum of (a) in relation to sales of products in the licensed field, the greater of: (i) 7.5% of net sales, and (ii) 15% of the Corporation's gross margin; and (b) 20% of revenues from sub-licenses granted by the Corporation to third parties. Minimum royalty payments were initially as follows: year 1 - nil; year 2 - $50,000; year 3 - $200,000; year 4 - $300,000; year 5 - $900,000; and year 6 and thereafter - $1,000,000. Minimum royalties are based on contract years based on the effective date of the agreement, August 7, 2008, and were adjusted during the year ended February 28, 2013 as discussed below. After the expiration of Neptune's patents on licensed intellectual property in 2022, the license agreement will automatically renew for an additional 15 years, during which period royalties will be determined to be equal to half of those calculated with the above formula.

The Corporation has the option to pay future royalties in advance, in cash or in kind, in whole or in part, based on an established economic model contained in the license agreement.

The Corporation can also abandon its rights under all or part of the license agreement and consequently remove itself from the obligation to pay all or part of the minimum royalties by paying a penalty equal to half of the next year's minimum royalties.

In addition, the Corporation is committed to have its products manufactured by Neptune at prices determined according to different cost-plus rates for each of the product categories under the license agreement.

During the year ended February 28, 2013, the Corporation's Board of Directors abandoned the rights to one of the licensed fields, which relieves the Corporation of any further royalty payments related to this licensed field, retroactively to August 7, 2011. Accordingly, the minimum royalty payments are as follows: year 4 - $225,000; year 5 - $700,000; and year 6 and thereafter - $750,000.

On December 4, 2012, the Corporation announced that it entered into a Prepayment Agreement with Neptune pursuant to which the Corporation exercised its option under the exclusive technology license agreement to pay in advance all of the future royalties' payable under the license agreement.

The value of the prepayment, determined with the assistance of outside valuations specialists, using the pre-established formula set forth in the license agreement, amounts to approximately $15,500,000, which will be paid through the issuance of 6,750,000 Class A shares, issuable at a price of $2.30 per share, upon the exercise of a warrant delivered to Neptune at the signature of the Prepayment Agreement.

The prepayment and the issuance of the shares to Neptune are subject to the approval of the TSX Venture Exchange and of the disinterested shareholders of the Corporation at the next annual meeting of shareholders of the Corporation. The transaction will be accounted for when such approval is obtained.

*Research and development agreements:*

In the normal course of business, the Corporation has signed agreements with various partners and suppliers for them to execute research projects and to produce and market certain products. The Corporation has reserved certain rights relating to these projects.

The Corporation initiated research and development projects that will be conducted over a 12 to 24 month period for a total cost of $4,168,000, of which an amount of $2,367,000 has been paid to date. As at February 28, 2013, an amount of $66,000 is included in "Trade and other payables" in relation to these projects.

**19. Determination of fair values:**

Certain of the Corporation's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

*Financial assets and liabilities:*

In establishing fair value, the Corporation uses a fair value hierarchy based on levels as defined below:

- Level 1: defined as observable inputs such as quoted prices in active markets.

- Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable.

- Level 3: defined as inputs that are based on little or no little observable market data, therefore requiring entities to develop their own assumptions.

**19. Determination of fair values (continued):**

*Financial assets and liabilities (continued):*

The Corporation has determined that the carrying values of its short-term financial assets and liabilities approximate their fair value given the short-term nature of these instruments.

*Share-based payment transactions:*

The fair value of the employee stock options is measured based on the Black-Scholes valuation model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information, when the shares have not been traded on a recognized exchange for a period of time that is commensurate with estimated life of option, it is estimated using historical volatility of comparable corporations), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions, if any, are not taken into account in determining fair value.

**20. Capital management:**

Since inception, the Corporation's objective in managing capital is to ensure sufficient liquidity to finance its research and development activities, general and administrative expenses, expenses associated with intellectual property protection and its overall capital expenditures. The Corporation is not exposed to external requirements by regulatory agencies regarding its capital.

Since the beginning of its operations, the Corporation has financed its liquidity needs from funding provided by its parent corporation and from the exercise of warrants that were distributed to its parent corporation's shareholders, from a rights offering and from the issuance of stock-based compensation to employees. The Corporation attempts to optimize its liquidity needs with non-dilutive sources whenever possible, including from research and development tax credits.

The Corporation defines capital to include total shareholders' equity.

The Corporation's policy is to maintain a minimal level of debt.

As of February 28, 2013, cash amounted to $1,196,568, short-term investments amounted to $3,588,227 and tax credits receivable amounted to $335,501, for a total of $5,120,296. During the year ended February 28, 2013, the Corporation obtained proceeds of $229,477 from the exercise of previously issued warrants and options. As stated in Note 2, the Corporation expects to raise additional financing from Neptune and other sources to pursue its operations within the next 12 months and beyond.

**21. Operating segments:**

The Corporation has one reportable operating segment: the development and commercialization of pharmaceutical applications of its licensed rights for cardiovascular diseases.

All of the Corporation's assets are located in Canada and in the United States.

The Corporation's sales are attributed based on the customer's area of residence. All of the sales, except for the sale made to Neptune in the amount of $41,000, were made to the United States.

During the year ended February 28, 2013, the Corporation realized sales amounting to $640,975 from one customer accounting for 89% of sales.



# MANAGEMENT ANALYSIS OF THE FINANCIAL SITUATION AND OPERATING RESULTS – YEARS ENDED FEBRUARY 28, 2013 AND FEBRUARY 29, 2012

**Introduction**

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 the financial position of Acasti Pharma Inc. ("Acasti" or the "Corporation") as at February 28, 2013 and for the year then ended. This MD&A explains the material variations in the financial statements of operations, financial position and cash flows of Acasti for the years ended February 28, 2013 and February 29, 2012. The Corporation effectively commenced active operations with the transfer of an exclusive worldwide license from its parent corporation, Neptune Technologies & Bioressources Inc. ("Neptune"), in August 2008. The Corporation was inactive prior to that date.

This MD&A, completed on May 21, 2013, must be read in conjunction with the Corporation's financial statements for the years ended February 28, 2013 and February 29, 2012. The Corporation's financial statements were prepared in accordance with International Financing Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. The Corporation's financial results are published in Canadian dollars. All amounts appearing in this MD&A are in thousands of Canadian dollars, except share and per share amounts or unless otherwise indicated.

Additional information on the Corporation can be found on the SEDAR website at www.sedar.com and on the EDGAR website at www.sec.gov/edgar.shtml under Acasti Pharma Inc.

On March 31, 2011, following the submission of an initial listing application, the Class A shares of the Corporation were listed for trading on the TSX Venture Exchange under the ticker symbol "APO". In January 2013, the Corporation had its Class A shares listed on the NASDAQ Capital Market exchange, under the symbol "ACST".

**Forward-Looking Statements**

This MD&A contains certain information that may constitute 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 Acasti refers to 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. Forward-looking information in this MD&A includes, but is not limited to, information about:

- Acasti's ability to conduct current and new clinical trials for its product candidate, including the timing and results of these clinical trials;
- Acasti's ability to commercialize its products and product candidate;
- Acasti's ability to secure third-party manufacturer arrangements to provide Acasti with sufficient raw materials for its operations, including, but not limited to, Acasti's ability to retain a third-party to manufacture CaPre® under good manufacturing practice ("GMP") standards;
- Acasti's ability to obtain and maintain regulatory approval of CaPre®; and
- Acasti's expectations regarding its financial performance, including its revenues, expenses, gross margins, liquidity, capital resources and capital expenditures.

Although the forward-looking information is based upon what Acasti believes are reasonable assumptions, no person should place undue reliance on such information since actual results may vary materially from the forward-looking information.

In addition, the forward-looking information is subject to a number of known and unknown risks, uncertainties and other factors, including those described in this MD&A under the heading "Risk Factors", many of which are beyond the Corporation's control, that could cause actual results and developments to differ materially from those that are disclosed in or implied by the forward-looking information, including, without limitation:

- the success of current and future clinical trials by the Corporation;
- the successful commercialization of CaPre® and Onemia™;
- the Corporation's history of net losses and inability to achieve profitability;
- the Corporation's reliance on third parties for the manufacture, supply and distribution of its products and for the supply of raw materials, including the ability to find a third party to produce CaPre® under GMP standards;
- the Corporation's reliance on a limited number of distribution partners for Onemia™;
- the Corporation's ability to manage its growth efficiently;
- the Corporation's ability to further penetrate core or new markets;
- the Corporation's ability to attract and retain skilled labour;
- the Corporation's ability to attract, hire and retain key management and personnel;
- the Corporation's ability to achieve its publicly announced milestones on time;
- the Corporation's ability to successfully defend product liability lawsuits brought against it;
- intense competition from other companies in the pharmaceutical and medical food industries; and
- the Corporation's ability to secure and defend its intellectual property rights.

Consequently, all the forward-looking information is qualified by this cautionary statement and there can be no guarantee that the results or developments that the Corporation anticipates will be realized or, even if substantially realized, that they will have the expected consequences or effects on the Corporation's business, financial condition or results of operations. Accordingly, you should not place undue reliance on the forward-looking information. Except as required by applicable law, Acasti does not undertake to update or amend any forward-looking information, whether as a result of new information, future events or otherwise. These forward-looking statements are made as of the date of this MD&A.

**Business Overview**

Acasti is an emerging biopharmaceutical company focused on the research, development and commercialization of new therapies for abnormalities in blood lipids, referred to as dyslipidemia, and the treatment and prevention of cardiovascular disorders. Acasti's products are derived from krill oil.

CaPre®, currently Acasti's sole drug product candidate, is being developed to address the prevention and treatment of cardiometabolic disorders, including hypertriglyceridemia, which is characterized by abnormally high plasma levels of triglycerides. CaPre® is currently being evaluated in two Phase II clinical trials initiated in 2011 in Canada. Following the completion of the trials, Acasti intends to file an investigational new drug submission to conduct a Phase III clinical trial for CaPre® in the United States under the guidelines and rules of the U.S. Food & Drug Administration ("FDA").

Onemia™ is Acasti's sole commercialized product and has been marketed in the United States since 2011 as a "medical food". Onemia™ is only administered under the supervision of a physician and is intended for the dietary management of illnesses associated with omega-3 phospholipids deficiency related to cardiometabolic disorders.

Pursuant to the license agreement entered into with Neptune in August 2008, Acasti has been granted a license to use Neptune's intellectual property rights for the development, distribution and sale of products for use in the human cardiovascular field. The Corporation has to finance its activities of research and development, including its clinical studies. The products developed by Acasti require the approval from the FDA before clinical studies are conducted and approval from similar regulatory organizations before sales are authorized.

**Operations**

During the year ended February 28, 2013, Acasti made progress in its research and pharmaceutical product development, advancing with its prescription drug candidate, CaPre®, while expanding its commercialization efforts for its medical food Onemia™. The following is a summary of the period's highlights.

Neptune, Acasti's parent company, reported that in the afternoon of November 8, 2012, an explosion and fire destroyed Neptune's production plant located in Sherbrooke, Québec, Canada. Acasti announced that its day-to-day operations and business were not interrupted as a result of this tragic event and that all CaPre® materials required for its two Phase II clinical trials had already been produced and stored in facilities outside Neptune's affected plant. The production of CaPre® and Onemia™ are a multi-step processes and involve a complex supply chain. Acasti does not own its own manufacturing facility for the production of krill oil, CaPre® and Onemia™, nor does it have plans to develop its own manufacturing operations for the commercial manufacture of its products in the foreseeable future. Acasti depends on third party suppliers and manufacturers for all of its required raw materials and drug substance. Prior to the explosion at Neptune's production plant, Acasti acquired substantially all of its krill oil for the production of CaPre® and Onemia™ from its parent company, Neptune. However, due to the incident, Acasti is currently seeking out another provider of krill oil to be used in the future production of CaPre® and Onemia™. Furthermore, Acasti is currently searching for a third-party manufacturer to produce CaPre® from current and future supply of krill oil. Because of FDA requirements, any third party manufactures retained by Acasti to produce CaPre® must ensure their compliance with GMP certification.

In December 2012, Acasti reported that it had entered into a prepayment agreement with Neptune pursuant to which Acasti has exercised its option under its license agreement dated August 7, 2008 entered into between Acasti and Neptune to pay in advance all of the future royalties payable under the license agreement. (See section "Contractual Obligations, Off-Balance Sheet Arrangements and Commitments – License Agreement" for more information concerning this agreement).

**Clinical Trials Update**

During the fiscal year ended February 29, 2012, Acasti initiated two Phase II clinical trials: (i) the " **TRIFECTA trial**", a prospective randomized double-blind placebo controlled clinical study designed to evaluate the safety and efficacy of CaPre® for the management of moderate to severe hypertriglyceridemia, for which the first patients were enrolled in October 2011, and (ii) the "**COLT trial**", a prospective randomized open-label clinical trial designed to assess the safety, efficacy and dose response of CaPre® for patients with moderate to high hypertriglyceridemia, for which the first patients were enrolled in December 2011. Acasti's clinical trials' recruitment has continued and progressed during the year ended February 28, 2013.

In December 2012, the TRIFECTA trial completed its first of two interim analysis. The review committee assembled to evaluate the progress of the study reviewed the interim analysis relative to drug safety and efficacy, and unanimously agreed, that the study should continue as planned. All committee members agreed that there were no concerning toxicity issues related to the intake of the drug candidate and that the signals of possible CaPre® therapeutic effect, noted as reduction of triglyceride in the groups evaluated, were reassuring and clinically significant to allow the further continuation of the study. As it is customary, the data was provided to the committee members blind, meaning that the identity of the three groups was not revealed. Since the data showed no safety concerns and a significant clinical signal the decision was made, by the committee, that it is safe to continue the study and that there is no need to unblind the data.

Also in December 2012, Acasti was able to obtain completed clinical data in its COLT trial from a group of patients who completed an eight-week treatment with 2g CaPre® per day, which will not be included in the primary analysis of the final results. Test results of 23 patients were analysed of whom 19 had baseline triglyceride levels between 200 and 500mg/dl (2.28 to 5.7 mmol/L). The data showed a statistically significant 25% ($p<0.05$) reduction in triglycerides after eight weeks of treatment. Besides the important decrease in triglycerides, CaPre® also decreased low density lipoprotein, very low density lipoprotein and non-high density lipoprotein lipids and increased high density lipoprotein.

More recently, after the year ended February 28, 2013, in March, preliminary clinical data from 157 patients enrolled in the COLT trial who have completed four weeks of treatment with 0.5, 1, 2 or 4 grams of CaPre® per day were assessed and CaPre® achieved a clinically important and statistically significant triglyceride reduction of up to 23% ($p < 0.05$) as compared to the normal standard of care. The study assesses the effectiveness of CaPre® in patients based on a real-life, routine - clinical setting since the standard of care may be any treatment the treating physicians considered as appropriate and included life-style modification as well as lipid modifying agents such as statins and fibrates, that most of the patients analysed (i.e. 86%) had baseline triglycerides between 200 and 500mg/dl (2.28 to 5.7 mmol/L) and that no serious adverse events were reported. To date, the results of this preliminary analysis suggest that CaPre® is safe and effective for the treatment of patients with triglyceride levels ranging from 200 to 500 mg/dL.

**Onemia™**

During the fiscal year ended February 28, 2013, Acasti furthered its business development and direct commercialization activities in the U.S. for its medical food Onemia™. Acasti made its first sales to a U.S. medical food distributor, which initiated distribution of Onemia™ through its U.S. nationwide network of physicians, under its own brand name. Also, physicians initiated and/or continued their recommendations of Onemia™ for patients diagnosed with cardiometabolic disorders. Acasti expects continued sales of Onemia™ to provide short-term revenues that will contribute, in part, to finance Acasti's research and development projects while establishing Acasti's omega-3 phospholipids product credentials.

**Basis of presentation of the financial statements**

The Corporation's assets as at February 28, 2013 include cash and short-term investments for an amount of $4,785, mainly generated by the exercise on September 14, 2011 of the rights issued by the Corporation to its shareholders as well as by the net proceeds from a $1,979 private financing completed on February 13, 2012. The Corporation also has trade and other receivables of $451, receivable from a corporation under common control of $50 and tax credits receivable for an amount of $336 as at February 28, 2013. The Corporation's liabilities at February 28, 2013 are comprised primarily of amounts due to Neptune of $1,211 and other creditors for $707 as well as royalties payable to Neptune for $529. The Corporation has incurred operating losses and negative cash flows from operations since inception. As at February 28, 2013, the Corporation's current liabilities and expected level of expenses in the research and development phase of its drug candidate significantly exceed current assets. The Corporation plans to rely on the continued support of Neptune to pursue its operations, including obtaining additional funding, if required. The continuance of this support is outside of the Corporation's control. If the Corporation does not receive the continued financial support from its parent or the Corporation does not raise additional funds, it may not be able to realize its assets and discharge its liabilities in the normal course of business. As a result, there exists a material uncertainty that casts substantial doubt about the Corporation's ability to continue as a going concern and, therefore, realize its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on a going concern basis, which assumes the Corporation will continue its operations in the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business. These financial statements do not include any adjustments to the carrying values and classification of assets and liabilities and reported revenues and expenses that may be necessary if the going concern basis was not appropriate for these financial statements.

The Corporation is subject to a number of risks associated with the successful development of new products and their marketing, the conduct of its clinical studies and their results, the meeting of development objectives set by Neptune in its license agreement, and the establishment of strategic alliances. The Corporation will have to finance its research and development activities and its clinical studies. To achieve the objectives of its business plan, the Corporation plans to establish strategic alliances, raise the necessary capital and make sales. It is anticipated that the products developed by the Corporation will require approval from the U.S. Food and Drug Administration and equivalent organizations in other countries before their sale can be authorized.

**SELECTED FINANCIAL INFORMATION**

(In thousands of dollars, except per share data)

| | Three-month periods ended | | Years ended | | |
|---|---|---|---|---|---|
| | February 28, 2013 | February 29, 2012 | February 28, 2013 | February 29, 2012 | February 28, 2011 |
| | $ | $ | $ | $ | $ |
| Revenue from sales | 49 | 10 | 724 | 10 | - |
| Adjusted EBITDA[(1)] | (1,361) | (857) | (4,350) | (4,481) | (2,255) |
| Net loss and comprehensive loss | (1,953) | (1,547) | (6,892) | (6,501) | (3,008) |
| Net loss per share and diluted loss per share | (0.03) | (0.02) | (0.09) | (0.10) | (0.06) |
| Total assets | 12,170 | 15,729 | 12,170 | 15,729 | 10,831 |
| Working capital[(2)] | 3,413 | 7,597 | 3,413 | 7,597 | (1,835) |
| Total equity | 9,724 | 14,469 | 9,724 | 14,469 | 5,705 |
| Book value per Class A share[(3)] | 0.13 | 0.20 | 0.13 | 0.20 | 0.10 |

(1) The Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is presented for information purposes only and represents a financial performance measurement tool mostly used in financial circles. Because there is no standard method endorsed by IFRS requirements, the results are unlikely to be comparable to similar measurements presented by other public companies. Acasti obtains Adjusted EBITDA measurement by adding to net loss finance costs, depreciation and amortization and income taxes. Acasti also excludes the effects of certain non-monetary transactions recorded, such as gain or loss on foreign exchange and stock-based compensation, for its Adjusted EBITDA calculation.

(2) The working capital is presented for information purposes only and represents a measurement of the Corporation's short-term financial health mostly used in financial circles. The working capital is calculated by subtracting current liabilities from current assets. Because there is no standard method endorsed by IFRS requirements, the results may not be comparable to similar measurements presented by other public companies.

(3) The book value per share is presented for information purposes only and is obtained by dividing the shareholders' equity by the number of outstanding Class A shares at the end of the period. Because there is no standard method endorsed by IFRS requirements, the results may not be comparable to similar measurements presented by other public companies.

**RECONCILIATION OF THE EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (ADJUSTED EBITDA)**

A reconciliation of Adjusted EBITDA is presented in the table below. The Corporation uses adjusted financial measures to assess its operating performance. Securities regulations require that companies caution readers that earnings and other measures adjusted to a basis other than IFRS do not have standardized meanings and are unlikely to be comparable to similar measures used by other companies. Accordingly, they should not be considered in isolation. The Corporation uses Adjusted EBITDA to measure its performance from one period to the next without the variation caused by certain adjustments that could potentially distort the analysis of trends in our operating performance, and because the Corporation believes it provides meaningful information on the Corporation financial condition and operating results.

Acasti obtains its Adjusted EBITDA measurement by adding to net loss, finance costs, depreciation and amortization and income taxes. Acasti also excludes the effects of certain non-monetary transactions recorded, such as gain or loss on foreign exchange and stock-based compensation, from its Adjusted EBITDA calculation. The Corporation believes it is useful to exclude these items as they are either non-cash expenses, items that cannot be influenced by management in the short term, or items that do not impact core operating performance. Excluding these items does not imply they are necessarily nonrecurring.

**RECONCILIATION OF ADJUSTED EBITDA**
(In thousands of dollars, except per share data)

| | Three-month periods ended | | Years ended | | |
|---|---|---|---|---|---|
| | February 28, 2013 | February 29, 2012 | February 28, 2013 | February 29, 2012 | February 28, 2011 |
| | $ | $ | $ | $ | $ |
| Net loss | (1,953) | (1,547) | (6,892) | (6,501) | (3,008) |
| **Add (deduct):** | | | | | |
| Finance costs | 1 | 3 | 3 | 9 | 177 |
| Depreciation and amortization | 166 | 167 | 665 | 668 | 670 |
| Stock-based compensation | 453 | 519 | 1,917 | 1,321 | 181 |
| Foreign exchange (gain) loss | (28) | 1 | (43) | 22 | (2) |
| Gain on expiry of derivative financial liabilities | - | - | - | - | (273) |
| Adjusted EBITDA | (1,361) | (857) | (4,350) | (4,481) | (2,255) |

**SELECTED QUARTERLY FINANCIAL DATA**
(In thousands of dollars, except per share data)

**Fiscal year ended February 28, 2013**

| | Total | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| Revenue from sales | 724 | 14 | 237 | 424 | 49 |
| Other Income - Revenue from research contracts | – | – | – | – | – |
| Adjusted EBITDA[(1)] | (4,350) | (916) | (1,037) | (1,036) | (1,361) |
| Net loss | (6,892) | (1,576) | (1,752) | (1,611) | (1,953) |
| Loss per share basic and diluted | (0.09) | (0.02) | (0.02) | (0.02) | (0.03) |

**Fiscal year ended February 29, 2012**

| | Total | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| Revenue from sales | 10 | – | – | – | 10 |
| Other Income - Revenue from research contracts | 116 | 83 | 33 | – | – |
| Adjusted EBITDA[(1)] | (4,481) | (693) | (1,254) | (1,677) | (857) |
| Net loss | (6,501) | (1,023) | (1,724) | (2,207) | (1,547) |
| Loss per share basic and diluted | (0.10) | (0.02) | (0.03) | (0.03) | (0.02) |

(1) The Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is presented for information purposes only and represents a financial performance measurement tool mostly used in financial circles. Because there is no standard method endorsed by IFRS requirements, the results are unlikely to be comparable to similar measurements presented by other public companies. Acasti obtains Adjusted EBITDA measurement by adding to net loss, finance costs, depreciation and amortization and income taxes. Acasti also excludes the effects of certain non-monetary transactions recorded, such as gain or loss on foreign exchange and stock-based compensation, for its Adjusted EBITDA calculation.

**COMMENTS ON THE SIGNIFICANT VARIATIONS OF RESULTS FROM OPERATIONS FOR THE THREE-MONTH PERIODS AND YEARS ENDED FEBRUARY 28, 2013 AND FEBRUARY 29, 2012**

**Revenues**
The Corporation generated revenues from sales of $49 from the commercialization of Onemia ™, its medical food product, during the three-month period ended February 28, 2013. The revenues were generated from a sale made to Neptune ($41), as well as from sales made directly to customers in the United States. Acasti relies on a limited number of distributors/clients, therefore, revenues from sales may vary significantly quarter to quarter, as it was experienced in the fourth quarter when comparing it to the third quarter. The Corporation generated revenue from sales of $10 during the corresponding period in 2012. During the three-month periods ended February 28, 2013 and February 29, 2012, the Corporation did not generate revenue from research contracts.

The Corporation generated revenues from sales of $724 from the commercialization of Onemia ™, its medical food product, during the year ended February 28, 2013. The revenues were generated from a distribution agreement the Corporation entered into with a US distributor specialized in medical food (accounting for 89% of sales), from a sale made to Neptune (accounting for approximately 6% of sales) as well as from sales made directly to customers in the United States. The Corporation generated revenue from sales of $10 during the corresponding period in 2012. During the year ended February 28, 2013, the Corporation did not generate revenues from research contracts. During the year ended February 29, 2012, the Corporation generated revenues from research contracts of $116.

**Gross Profit**

Gross profit is calculated by deducting the cost of sales from revenue. Cost of sales consists primarily of costs incurred to manufacture products. It also includes related overheads, such as certain costs related to quality control and quality assurance, inventory management, sub-contractors and costs for servicing and commissioning.

The gross profit for the three-month period ended February 28, 2013 amounted to $12 or 24%, which is significantly below the Corporation's target range for its gross profit margin, being 45 to 55%. The reason for the lower than targeted gross profit margin for the three-month period ended February 28, 2013 is a special sale of Onemia™ to Neptune at a significantly lower price than the usual Onemia ™ selling price because of Neptune's production situation and product shortage. The Corporation currently does not anticipate making additional sales to Neptune in the near future. The Corporation realized a gross profit of $5 or 51% during the three-month period ended February 29, 2012.

The gross profit for the year ended February 28, 2013 amounted to $318 or 44%, which is slightly below the Corporation's target range for its gross profit margin of 45% to 55%. The reason for the lower than targeted gross profit margin is the sales of Onemia™ to Neptune as described above. The Corporation realized a gross profit of $5 or 51% during the year ended February 29, 2012.

**Breakdown of Major Components of the Statement of Operations and Comprehensive Loss for the years ended February 28, 2013 and February 29, 2012**

| Administrative expenses | Three-month periods ended | | Years ended | |
|---|---|---|---|---|
| | February 28, 2013 | February 29, 2012 | February 28, 2013 | February 29, 2012 |
| | $ | $ | $ | $ |
| Salaries and benefits | 158 | 314 | 912 | 960 |
| Stock-based compensation | 327 | 515 | 1,462 | 1,049 |
| Professional fees | 231 | -14 | 527 | 276 |
| Royalties | 173 | 75 | 450 | 258 |
| Amortization and depreciation | 166 | 167 | 665 | 668 |
| Sales and marketing | 11 | 65 | 131 | 154 |
| Investor relations | 4 | 19 | 31 | 34 |
| Rent | 9 | 9 | 54 | 36 |
| Other | 8 | 24 | 57 | 95 |
| TOTAL | 1,087 | 1,174 | 4,289 | 3,530 |

| Research and development expenses | Three-month periods ended | | Years ended | |
|---|---|---|---|---|
| | February 28, 2013 | February 29, 2012 | February 28, 2013 | February 29, 2012 |
| | $ | $ | $ | $ |
| Salaries and benefits | 163 | 195 | 684 | 682 |
| Stock-based compensation | 126 | 4 | 455 | 272 |
| Contracts | 816 | 532 | 2,030 | 2,348 |
| Equipments and laboratory analysis | – | 3 | – | 80 |
| Regulatory expenses | 1 | -31 | 68 | - |
| Rent | – | – | – | 26 |
| Professional fees | 6 | 53 | 67 | 55 |
| Other | 18 | 17 | 76 | 96 |
| Tax credits | (212) | (386) | (370) | (453) |
| TOTAL | 918 | 387 | 3,010 | 3,106 |

**Earnings before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA)**
Adjusted EBITDA decreased by $504 for the three-month period ended February 28, 2013 to $(1,361) compared to $(857) for the three-month period ended February 29, 2012, mainly due to increases in administration and research and development expenses before consideration of stock-based compensation and amortization and depreciation.

The increase in administration expense is mainly due to increases in professional fees and royalties payable to the parent corporation, principally offset by decreases in salaries and benefits and sales and marketing expenses. Royalties to Neptune will be expensed until the royalty prepayment agreement is approved by the Corporation's shareholders. The prepayment agreement is subject to the approval of the disinterested shareholders of the Corporation at the next annual meeting in June 2013. The increase in research and development expenses is mainly attributable to the increase in contracts expenses related to the Corporation's clinical trials as well as to the decrease in tax credits, principally offset by decreases in professional fees and salaries and benefits.

Adjusted EBITDA improved by $131 for the year ended February 28, 2013 to $(4,350) compared to $(4,481) for the year ended February 29, 2012, mainly due to the increase in revenues (see Revenues and Gross Profit sections) and decrease in research and development expenses (before consideration of stock-based compensation), offset by the increase in administration expenses (before consideration of stock-based compensation and amortization and depreciation).

The decrease in research and development expenses is mainly attributable to decreases in contracts expenses related to the Corporation's clinical trials and equipment and laboratories analysis, principally offset by the increase in regulatory expenses and tax credits. The increase in administrative expenses is mainly attributable to increases in professional fees and in royalties payable to the parent corporation.

**Net Loss**
The Corporation realized a net loss for the three-month period ended February 28, 2013 of $1,953 or $0.03 per share compared to a net loss of $1,547 or $0.02 per share for the three-month period ended February 29, 2012. These results are mainly attributable to the factors described above in the Revenues and Adjusted EBITDA sections.

The Corporation realized a net loss for the year ended February 28, 2013 of $6,892 or $0.09 per share compared to a net loss of $6,501 or $0.10 per share for the year ended February 29, 2012. These results are mainly attributable to the factors described above in the Revenues and Adjusted EBITDA sections and by the increase in the stock-based compensation expense of $596, principally as a result of additional stock option grants during the year.

**Capital Stock Structure**

The authorized capital stock consists of an unlimited number of Class A, Class B, Class C, Class D and E without par value. Issued and outstanding fully paid shares, outstanding warrants and outstanding stock options were as follows:

| | February 28, 2013 | February 29, 2012 |
|---|---|---|
| Class A shares, voting, participating and without par value | 73,107,538 | 72,636,888 |
| Stock options granted and outstanding | 5,216,250 | 3,347,500 |
| Series 4 warrants exercisable at $0.25 until October 8, 2013 | 5,432,350 | 5,785,500 |
| Series 6 & 7 warrants exercisable at $1.50 until February 10, 2015 | 750,000 | 750,000 |
| Total fully diluted shares | 84,506,138 | 82,519,888 |

**Cash Flow and Financial Condition between the Years ended February 28, 2013 and February 29, 2012**

**Operating activities**
During the three-month periods ended February 28, 2013 and February 29, 2012, the Corporation's operating activities generated an increase in liquidity of $60 and a decrease of liquidity of $1,263, respectively, consisting of the net loss incurred for the quarter adjusted for non-cash items, such as depreciation of equipment, amortization of intangible asset, stock-based compensation, finance expenses and foreign exchange, as well as for the net changes in non-cash operating working capital items for the period. The net changes in non-cash operating working capital items for the three-month period ended February 28, 2013 amounted to an increase of $1,427 and are mainly due to decreases in trade and other receivables ($670), tax credits receivables ($310) and inventories ($41), as well as to increases in payable to parent corporation ($378) and royalties payable to parent corporation ($198), principally offset by the decrease in trade and other payables ($189). The net changes in non-cash operating working capital items for the three-month period ended February 29, 2012, amounted to a decrease of $402 and are mainly due to increases in tax credits receivable ($392) and inventories ($88), as well as to the decrease royalties payable to parent corporation ($261), principally offset by increases in trade and other payables ($266) and payable to parent corporation ($72).

During the years ended February 28, 2013 and February 29, 2012, the Corporation's operating activities used cash of $2,549 and $5,615, respectively, consisting of the net loss incurred for the year adjusted for non-cash items, such as depreciation of equipment, amortization of intangible asset, stock-based compensation, finance expenses and foreign exchange, as well as for the net changes in non-cash operating working capital items for the period. The net changes in non-cash operating working capital items for the year ended February 28, 2013 amounted to an increase of $1,836 and are mainly due to decreases in inventories ($377) and tax credit receivable ($255), as well as to the increases in payable to parent corporation ($996) and royalties payable to parent corporation ($480), principally offset by the decreases in trade and other payables ($289). The net changes in non-cash operating working capital items for the year ended February 29, 2012, amounted to a decrease of $1,078 and are mainly due to increases in inventories ($599), tax credits receivable ($349) and trade and other receivables ($250), as well as the decrease in payable to parent corporation ($221) and royalties payable to parent corporation ($79), principally offset by an increase in trade and other payables ($485).

**Investing activities**

During the three-month periods ended February 28, 2013 and February 29, 2012, the Corporation's investing activities generated increases in liquidities of $168 and $750, respectively. The increase in liquidity generated by investing activities during the three-month period ended February 28, 2013 is mainly due to the maturity of short-term investments of $250, offset by the acquisition of intangible assets of $83. The increase in liquidity generated by investing activities during the three-month period ended February 29, 2012 is mainly due to the maturity of short-term investment of $750.

During the years ended February 28, 2013 and February 29, 2012, the Corporation's investing activities generated an increase in liquidities of $1,899 and a decrease in liquidities of $2,992, respectively. The increase in liquidity generated by investing activities during the year ended February 28, 2013 is mainly due to the maturity of short-term investments of $2,000, offset by the acquisition of intangible assets of $103. The decrease in liquidity generated by investing activities during the year ended February 29, 2012 is mainly due to the acquisition of short-term investments of $7,500, principally offset by the maturity of short-term investments of $4,500.

**Financing activities**

During the three-month periods ended February 28, 2013 and 2012, the Corporation's financing activities generated increases in liquidities of $185 and $1,981, respectively. The increase in liquidities generated from financing activity during the three-month periods ended February 28, 2013 resulted mainly from proceeds from exercise of warrants and options of $185. The increase in liquidities generated from financing activity during the three-month periods ended February 29, 2012 resulted mainly from the net proceeds from private placement of $1,979.

During the years ended February 28, 2013 and February 29, 2012, the Corporation's financing activities generated increases in liquidities of $227 and $9,884, respectively. The increase in liquidities generated from financing activity during the year ended February 28, 2013 resulted mainly from proceeds from exercise of warrants and options of $229. The increase in liquidities generated from financing activity during the year ended February 29, 2012 resulted mainly from net proceeds from exercise of rights of $7,850, net proceeds from private placement of $1,979 and proceeds from exercise of warrants and options of $64.

Overall, as a result, the Corporation's cash increased by $434 and decreased by $393, respectively, for the three-month period and year ended February 28, 2013. Total liquidities as at February 28, 2013, comprised of cash and short-term investments, amounted to $4,785. See basis of presentation for additional discussion of the Corporation's financial condition.

To date, the Corporation has financed its operations primarily through the exercise of rights and warrants issued to its shareholders as well as to Neptune and its shareholders, the private offerings of shares, as well as research tax credits, revenues from sales and research contracts, as well as interest income. The future profitability of the Corporation is dependent upon such factors as the success of the clinical trials, the approval by regulatory authorities of products developed by the Corporation, the ability of the Corporation to successfully market, sell and distribute products, and the ability of the Corporation to obtain the necessary financing to complete its projects.

**Financial Position**

The following table details the significant changes to the balance sheet as at February 28, 2013 compared to February 29, 2012:

| Accounts | Increase (Decrease) | Comments |
|---|---|---|
| Cash | (393) | See cash flow statement |
| Short-term investments | (1,954) | Maturity of short-term investments to finance operations |
| Trade and other receivables | 8 | Onemia™ sales |
| Tax credits receivable | (255) | Tax credits received |
| Inventories | (377) | Onemia™ sales |
| Intangible assets | (554) | Additions, offset by amortization |
| Trade and other payables | (289) | Repayment of trade and other payables |
| Payable to parent corporation | 996 | Increase in amount owed |
| Royalties payable to parent corporation | 480 | Increase in royalties owed |

**Contractual Obligations, Off-Balance-Sheet Arrangements and Commitments**

The Corporation has no off-balance sheet arrangements. All of the Corporation's liabilities ($2,446) are due within twelve months.

A summary of Acasti's contractual obligations at February 28, 2013 is as follows:

| | Total | Less than 1 year | 1 – 3 years | 3 – 5 years | Greater than 5 years |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| Payables | 707 | 707 | - | - | - |
| Due to parent corporation | 1,739 | 1,739 | - | - | - |
| Research and development contracts | 1,735 | 1,735 | - | - | - |
| Total | 4,181 | 4,181 | - | - | - |

Significant commitments include:

**License agreement**

The Corporation is committed under a license agreement to pay Neptune until the expiration of Neptune's patents on licensed intellectual property a royalty equal to the sum of (a) in relation to sales of products in the licensed field, if any, the greater of: (i) 7.5% of net sales, and (ii) 15% of Acasti's gross margin; and (b) 20% of revenues from sub-licenses granted by Acasti to third parties, if any. After the expiration of Neptune's patents on licensed intellectual property in 2022, the license agreement will automatically renew for an additional 15 years, during which period royalties will be determined to be equal to half of those calculated with the above formula. The license will expire on the date of expiration of the last-to-expire of the licensed patent claims and/or continuation in part and/or divisional of the licensed patent claims. After the last-to expire of the licensed patents on licensed intellectual property, which is currently expected to occur in 2022, the license will automatically renew for an additional period of 15 years, during which period royalties will equal half of those calculated according to the above formula. In addition, the license agreement provides for minimum royalty payments notwithstanding the above of: year 1 - nil; year 2 - $50; year 3 - $200; year 4 - $225 (initially $300, but reduced to $225 following Acasti's abandonment of its rights to develop products for the over-the-counter market pursuant to the license); year 5 - $700; and year 6 and thereafter - $750. Minimum royalties are based on contract years based on the effective date of the license agreement, August 7, 2008.

On December 4, 2012, the Corporation announced that it entered into a prepayment agreement with Neptune pursuant to which the Corporation exercised its option under the license agreement to pay in advance all of the future royalties' payable under the license. The value of the prepayment, determined with the assistance of outside valuations specialists, using the pre-established formula set forth in the license agreement, amounts to approximately $15,525, which is intended to be paid through the issuance of 6,750,000 Class A shares, issuable at a price of $2.30 per share, upon the exercise of a warrant delivered to Neptune at the signature of the prepayment agreement.

The prepayment and the issuance of the Common Shares to Neptune are subject to the final approval of the TSX Venture Exchange and the approval of the disinterested shareholders of the Corporation at the next annual meeting of shareholders of the Corporation.

**Research and development agreements**
In the normal course of business, the Corporation has signed agreements with various partners and suppliers for them to execute research projects and to produce and market certain products.

The Corporation initiated research and development projects that will be conducted over a 12 to 24 month period for a total initial cost of $4,168, of which an amount of $2,367 has been paid to date. As at February 28, 2013, an amount of $66 is included in ''Trade and other payables'' in relation to these projects.

**Related Party Transactions**

The Corporation was charged by Neptune for certain costs incurred by Neptune for the benefit of the Corporation in the amount of $2,072 during year ended February 28, 2013 ($943 for administrative costs, $678 for research and development costs and $450 for royalties) and $1,939 during the year ended February 29, 2012 ($950 for administrative costs, $732 for research and development costs and $258 for royalties). These transactions are in the normal course of operations. Where Neptune incurs specific incremental costs for the benefit of the Corporation, it charges those amounts directly. Costs that benefit more than one entity of the Neptune group are being charged by allocating a fraction of costs incurred by Neptune that is commensurate to the estimated fraction of services or benefits received by each entity for those items. These charges do not represent all charges incurred by Neptune that may have benefited the Corporation, because, amongst others, Neptune does not allocate certain common office expenses and does not charge interest on indebtedness. Also, these charges do not necessarily represent the cost that the Corporation would otherwise need to incur should it not receive these services or benefits through the shared resources of Neptune or receive financing from Neptune.

The Corporation recognized sales to Neptune in the amount of $41 during the year ended February 28, 2013 (2012 – nil). These transactions are in the normal course of operations.

The Corporation charged Neptune and a corporation under common control for research and development work performed for their benefit in the amount of $93 and $23, respectively, during the year ended February 29, 2012 (2013 - nil). These transactions are in the normal course of operations.

Payable to parent corporation has no specified maturity date for payment or reimbursement and does not bear interest. This amount has been measured at the exchange amount and classified as current liabilities.

The key management personnel of the Corporation are the members of the Board of Directors and certain officers. They control 3% of the voting shares of the Corporation. See note 5 to the financial statements for disclosures of key management personnel compensation.

On December 4, 2012, the Corporation entered into a prepayment agreement with Neptune as detailed under "Contractual Obligations, Off-Balance Sheet Arrangements and Commitments – License Agreement".

**Use of estimates and measurement of uncertainty**

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates are based on the management's best knowledge of current events and actions that the Corporation 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. Critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include the use of the going concern basis (See note 2 (b) of the financial statements). Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year include allocation of shared costs amongst the Neptune group companies (note 5 to financial statements) and the measurement of stock-based compensation (note 14 to the financial statements). Also, the Corporation uses its best estimate to determine which research and development ("R&D") expenses qualify for R&D tax credits and in what amounts. The Corporation recognizes the tax credits once it has reasonable assurance that they will be realized. Recorded tax credits are subject to review and approval by tax authorities and therefore, could be different from the amounts recorded.

**Critical Accounting Policies**

**Research and development expenses**
Research expenses are charged to income in the period of expenditure less related tax credits. Development costs are charged to income as incurred unless a development project meets generally accepted accounting criteria for deferral and amortization. The Corporation has not deferred any development costs since inception.

**Tax credits**
Tax credits related to eligible expenses are accounted for as a reduction of related costs in the year during which the expenses are incurred as long as there is reasonable assurance of their realization.

**Stock-based compensation**
The Corporation has a stock-based compensation plan, which is described in note 14 of the financial statements. The Corporation accounts for stock options granted to employees based on the fair value method, with fair value determined using the Black-Scholes model. Under the fair value method, compensation cost is measured at fair value at date of grant and is expensed over the award's vesting period with a corresponding increase in contributed surplus. For stock options granted to non-employees, the Corporation measures based on the fair value of services received, unless those are not reliably estimable, in which case the Corporation measures the fair value of the equity instruments granted. Compensation cost is measured when the company obtains the goods or the counterparty renders the service.

Also, the Corporation records as stock-based compensation expense a portion of the expense being recorded by Neptune that is commensurate to the fraction of overall services that the grantees provide directly to the Corporation and the offset to contributed surplus reflecting Neptune's contribution to the Corporation.

**Income taxes**
The Corporation follows the liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based on the differences between the carrying value and tax bases of assets and liabilities and they are measured using substantively enacted tax rates and laws that are expected during the periods when the temporary differences are expected to be realized or settled. A valuation allowance is provided to the extent that it is more likely than not that all or part of the deferred income tax assets will not be realized. The Corporation has not recognized any deferred tax assets in its financial statements because it has determined that they are not probable of being realized.

**Future Accounting Changes**

See note 3 (q): New standards and interpretations not yet adopted, to the financial statements.

**Changes in Internal Control over Financial Reporting**

During the three-month period ended February 28, 2013, the CEO and the CFO evaluated whether there were any material changes in internal control over financial reporting pursuant to MI 52-109. They individually concluded that there was no changes during the three-month period ended February 28, 2013 that affected materially or is reasonably likely to affect materially the Corporation's internal controls over financial reporting.

**Financial Instruments**

**Credit risk:**
Credit risk is the risk of a loss if a customer or counterparty to a financial asset fails to meet its contractual obligations, and arises primarily from the Corporation's trade receivables. The Corporation may also have credit risk relating to cash and short-term investments, which it manages by dealing only with highly-rated Canadian institutions. The carrying amount of financial assets, as disclosed in the consolidated statement of financial position, represents the Corporation's credit exposure at the reporting date. The Corporation's trade receivables and credit exposure fluctuate throughout the year. The Corporation's average trade receivables and credit exposure during the year may be higher than the balance at the end of that reporting period.

The Corporation's credit risk for trade receivables is concentrated, as the majority of its sales are to one customer. As at February 28, 2013, the Corporation had seven trade debtors. Most sales' payment terms are set in accordance with industry practice. One customer represents 97% of total trade accounts included in trade and other receivables as at February 28, 2013.

Most of the Corporation's clients are distributors for a given territory and are privately-held enterprises. The profile and credit quality of the Corporation's retail customers vary significantly. Adverse changes in a customer's financial position could cause the Corporation to limit or discontinue conducting business with that customer, require the Corporation to assume more credit risk relating to that customer's future purchases or result in uncollectible accounts receivable from that customer. Such changes could have a material adverse effect on business, consolidated results of operations, financial condition and cash flows.

The Corporation's extension of credit to customers involves considerable judgment and is based on an evaluation of each customer's financial condition and payment history. The Corporation has established various internal controls designed to mitigate credit risk, including a credit analysis by the insurer which recommends customers' credit limits and payment terms that are reviewed and approved by the Corporation. The Corporation reviews periodically the insurer's maximum credit quotation for each of its clients. New clients are subject to the same process as regular clients. The Corporation has also established procedures to obtain approval by senior management to release goods for shipment when customers have fully-utilized approved insurers credit limits. From time to time, the Corporation will temporarily transact with customers on a prepayment basis where circumstances warrant.

While the Corporation's credit controls and processes have been effective in mitigating credit risk, these controls cannot eliminate credit risk and there can be no assurance that these controls will continue to be effective, or that the Corporation's low credit loss experience will continue.

Customers do not provide collateral in exchange for credit, except in unusual circumstances. Receivables from selected customers are covered by credit insurance, with coverage amount usually of 100% of the invoicing, with the exception of some customers under specific terms. The information available through the insurers is the main element in the decision process to determine the credit limits assigned to customers.

The Corporation provides for trade receivable accounts to their expected realizable value as soon as the account is determined not to be fully collectible, with such write-offs charged to consolidated earnings unless the loss has been provided for in prior periods, in which case the write-off is applied to reduce the allowance for doubtful accounts. The Corporation updates its estimate of the allowance for doubtful accounts, based on evaluations of the collectability of trade receivable balances at each reporting date, taking into account amounts which are past due, and any available information indicating that a customer could be experiencing liquidity or going concern problems.

The aging of trade receivable balances and the allowance for doubtful accounts as at February 28, 2013: current was nil; past due 0-30 days was nil, past due 31-120 days were $175, past due 121-180 days were $3, allowance for doubtful account was $3.

The allowance for doubtful accounts is for customer accounts over 121 days past due. There was no movement in allowance for doubtful accounts in respect of trade receivables during the year ended February 28, 2013.

**Exchange risk:**
As at February 28, 2013, the Corporation is not exposed to any significant exchange risk, as it did not have any significant assets or liabilities denominated in foreign currencies.

**Interest rate risk:**
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Corporation's short term investments bear interest at short-term fixed interest rates. The capacity of the Corporation to reinvest the short-term amounts with equivalent returns will be impacted by variations in short-term fixed interest rates available on the market.

**Liquidity risk:**
Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. 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 the most important transactions outside the normal course of business. As discussed in note 17 (d) to the financial statements, the contractual maturities of all of all the Corporation's financial liabilities are less than 1 year. See basis of presentation of the financial statements.

**Financial risk:**
The success of the Corporation is dependent on its ability to bring its products to market, obtain the necessary approvals, and achieve future profitable operations. This is dependent on the Corporation's ability to obtain adequate financing through a combination of financing activities and operations. It is not possible to predict either the outcome of future research and development programs, nor the Corporation's ability, to fund these programs going forward.

**Fair value of financial instrument risk:**
The Corporation has determined that the carrying values of short-term financial assets and liabilities, including cash, trade and other receivables as well as trade and other payable, approximate their fair value because of the relatively short period to maturity of the instruments.

**Risk Factors**

Investing in securities of the Corporation involves a high degree of risk. The information contained in the financial statements for the years ended February 28, 2013 and February 29, 2012 and this MD&A should be read in conjunction with all of the Corporation and the parent corporation's public documentation. In particular, prospective investors should carefully consider the risks and uncertainties described in our filings with securities regulators, including those described under the heading "Risk Factors" in our listing application and in our latest annual information form, if any, available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov/edgar.shtml, and the following risks.

Additional risks and uncertainties, including those of which the Corporation is currently unaware or that it deems immaterial, may also adversely affect the Corporation's business, financial condition, liquidity, results of operation and prospects.

**Product Liability**

The parent corporation Neptune has secured a $5,000 product liability insurance policy, which also covers its subsidiaries, renewable on an annual basis, to cover civil liability relating to its products. Neptune also maintains a quality-assurance process that is "Quality Management Program" certified by the Canadian Food Inspection Agency and has obtained GMP accreditation from Health Canada.

**Additional Information**

Updated and additional information on the Corporation and the parent corporation Neptune Technologies & Bioressources is available from the SEDAR Website at www.sedar.com or on EDGAR at www.sec.gov/edgar.shtml.

As at May 21, 2013, the total number of class A shares issued by the Corporation and in circulation was 73,181,288. The Corporation also has 5,292,500 stock options, 5,372,350 Series 4 warrants and 750,000 Series 6 & 7 warrants outstanding.

/s/ *Henri Harland*

Henri Harland
President & Chief Executive Officer

/s/ Xavier Harland

Xavier Harland
Chief Financial Officer

EXHIBIT 99.4

**CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS, OFFICERS AND EMPLOYEES**

Acasti Pharma Inc. (the “Company”) has adopted the following Code of Business Conduct and Ethics for its Directors, Officers and Employees which sets forth the principles of business ethics to be followed by all directors, officers and employees of the Company.

**PURPOSE**

The purpose of this Code is to establish minimum guidelines of business conduct required of directors, officers and employees of the Company. The Chief Executive Officer is responsible for designating appropriate officer(s) or director(s), to implement and monitor compliance with this Code.

**REQUIRED BUSINESS CONDUCT OF DIRECTORS, OFFICERS AND EMPLOYEES**

The principles that must be complied with by all directors, officers and employees of the Company under this Code are the following:

**Conflicts of Interest**

The Company reaffirms its confidence in the loyalty and integrity of all members of its staff. It is considered desirable to state the policy of the Company on the subject of conflicts of interest to serve as a guide to directors, officers and other employees.

No director, officer or other employee shall permit private interests to conflict with the proper discharge of his or her official duties, nor shall he or she have or acquire any private interest which will give the appearance of such a conflict.

This This Code indicates certain areas in which the policy regarding conflicts of interest has particular application in order that such situations may be avoided; however, ethical action is expected of all directors, officers and employees in all relevant circumstances, whether enumerated or not.

**Gratuities**

No gratuities, whether in the form of gifts or services, should be accepted unless nominal in amount and offered as part of a normal business courtesy.

**Entertainment**

Entertainment is, within limits, a normal part of business activity. However, unusual, excessive or unreasonable entertainment should be avoided.

**Business Affiliations**

The business affiliation of directors, officers and other employees should be a matter of Company record and, should any Board action be required on Company business which may be influenced by an affiliation of one of the directors, the director so involved should bring such affiliation to the attention of the Board and abstain from any vote thereon. Every officer or employee must obtain the approval of the Chief Executive Officer prior to accepting a position as director, partner, officer, consultant or advisor to any other insurance or reinsurance organization or to any other business organization.

**Industry and Civic Activities**

The Company encourages participation in activities of the Nutraceutical and Biotechnology industry and those civic activities which are for the public good. It is important, however, that the amount of time devoted thereto does not impair the individual's ability to fulfill his or her official duties with the Company. With respect to participation in the activities of the Nutraceutical and Biotechnology industry, the approval of the Chief Executive Officer, or such individual(s) as the Chief Executive Officer may designate, must be obtained in each case.

**Business Interests**

Directors, officers and other responsible employees, or members of their immediate families must not have any material interest in any organization carrying on business with the Company, except as permitted by applicable laws. Nothing contained herein shall prohibit any corporation or partnership, in which one or more of them is an officer or director or partner, from serving as a depository of the funds or securities of the Company.

**Corporate Opportunities**

Directors, officers and employees are prohibited from: (a) taking for themselves personally opportunities that are properly within the scope of the Company's activities, (b) using corporate property, information or position for personal gain, and (c) competing with the Company. The Company's directors, officers and employees owe a duty to the Company to advance the Company's legitimate interests to the best of their abilities.

**Confidential Information**

Except as required in the performance of the regular corporate duties of a director, officer or employee of the Company, disclosure or use without authorization of any confidential information relating to the Company is prohibited. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. This prohibition applies specifically (but not exclusively) to inquiries made by the press, investment analysts, investors or others in the financial community. This prohibition also applies to information relating to third parties that the Company has obtained under an obligation of confidentiality, or as a result of a commercial relationship. The obligation to safeguard confidential information continues after one's employment with the Company has ended. The obligation to maintain the confidentiality of information may be subject to legal or regulatory requirements to disclose that information. In such cases, the Chief Executive Officer will assist in determining what disclosure is required.

**Acquisitions, Loans and Gifts from the Company**

Except with the prior written approval of the Chief Executive Officer or individual(s) designated by the Chief Executive Officer, a director, officer or employee of the Company (or any member of his or her immediate family) may not acquire property, or receive loans or gifts, from the Company.

**Disclosure of Potential Conflicts**

Potential conflicts should be discussed with the Chief Executive Officer. In circumstances where it is unclear as to whether or not such a discussion is required, the director, officer or other employee should err on the side of disclosure. Prior disclosure of a possible conflict of interest does not in itself suggest wrongdoing, but helps eliminate embarrassing misunderstandings and ensure that the duty of loyalty is not inadvertently violated.

**Compliance with Laws**

The Company is committed to being a good corporate citizen of all the jurisdictions in which it conducts business. Because of this commitment, directors, officers and employees of the Company must comply in

all respects with all applicable laws, rules and regulations, including insider trading, in each jurisdiction in which it does business.

Directors, officers and employees of the Company must cooperate fully with those (including the Chief Financial Officer) responsible for preparing reports filed with the securities regulatory authorities and all other materials that are made available to the investing public to ensure those persons are aware in a timely manner of all information that is required to be disclosed. Directors, officers and employees should also cooperate fully with the independent auditors in their audits and in assisting in the preparation of financial disclosure.

Senior officers of the Company must comply with the Company's policies on timely disclosure adopted from time to time and provide full, fair, accurate, understandable and timely disclosure in reports and documents filed with, or submitted to, securities regulatory authorities and other materials that are made available to the investing public.

**Fair Dealing and Integrity**

One of the most valuable assets of the Company is its reputation for fairness and integrity. Each director, officer and employee of the Company should deal fairly with the Company's customers, suppliers, competitors and employees. Employees, directors and officers should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice. Directors, officers and employees must not take any action that could undermine that reputation in dealings with the Company's employees, customers, suppliers or governmental officials.

**Accounting Controls**

All transactions shall be properly approved and accurately reflected on the books and records of the Company. Falsification of transactions and Company records or off-the-record trading or other off-the-record business transactions are strictly prohibited and subject to disciplinary action or termination.

**Protection and Proper Use of the Company's Assets**

All employees, officers and directors should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. All of the Company's assets should be used for legitimate business purposes.

**Discrimination and Harassment**

The diversity of the Company's employees is a tremendous asset. The Company is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind. Derogatory remarks and inappropriate characterizations of people and companies are prohibited. This applies equally to oral statements, e-mail messages, internal memos and formal reports.

**Reporting of Any Illegal or Unethical Behavior**

The Company actively promotes ethical behavior in all its business activities. The Company's directors, officers and employees are encouraged to speak to their managers or other appropriate personnel at any time if there is any doubt about the best course of action in a particular situation. The Company's directors, officers and employees are required to report violations of law, rules, regulations and this Code to their managers, senior management or the Board of Directors, as appropriate. Every reasonable effort will be made to ensure the confidentiality of those furnishing information. The Company will not tolerate retaliation in any form against any person for complaints or reports made in good faith.

**WAIVER FOR EXECUTIVE OFFICERS OR DIRECTORS**

A waiver of this Code for executive officers or directors will only be granted by the Board of Directors. Any waiver granted (or implicit waiver) will be disclosed to the extent required by applicable law or the rules of any applicable stock exchange.

EXHIBIT 99.5

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600 de Maisonneuve Blvd. West
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Montréal, Québec H3A 0A3

Telephone (514) 840-2100
Fax (514) 840-2187
Internet www.kpmg.ca

**Consent of Independent Auditors**

The Board of Directors

Acasti Pharma Inc.

We consent to the use of our report dated May 21, 2013 with respect to the financial statements of Acasti Pharma Inc. (the "Company"), which comprise the statements of financial position as at February 28, 2013 and February 29, 2012, the statements of earnings and comprehensive loss, changes in equity and cash flows for the years then ended and notes, comprising a summary of significant accounting policies and other explanatory information, included in this annual report on Form 40-F of the Company. Our report contains an emphasis of matter paragraph that states that the Company has incurred operating losses and negative cash flows from operations since inception, and the existence of a material uncertainty that casts substantial doubt about the Company's ability to continue as a going concern.

KPMG LLP*

May 29, 2013
Montreal, Canada

*CPA, auditor, CA, public accountancy permit No. A110592

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

EXHIBIT 99.6

I, Henri Harland, certify that:

1. I have reviewed this annual report on Form 40-F 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 issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer 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)) for the issuer 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 issuer, 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) Evaluated the effectiveness of the issuer'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

(c) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer'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 issuer'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 issuer's internal control over financial reporting.

Date: May 29, 2013

*/s/ Henri Harland*
Henri Harland
Chief Executive Officer

EXHIBIT 99.7

I, Xavier Harland, certify that:

1. I have reviewed this annual report on Form 40-F 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 issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer 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)) for the issuer 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 issuer, 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) Evaluated the effectiveness of the issuer'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

   (c) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer'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 issuer'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 issuer's internal control over financial reporting.

Date: May 29, 2013

*/s/ Xavier Harland*
Xavier Harland
Chief Financial Officer

EXHIBIT 99.8

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ENACTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Acasti Pharma Inc. (the “Company”) on Form 40-F for the year ended February 28, 2013 (the “Report”) as filed with the U.S. Securities and Exchange Commission,

I, Henri Harland, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as enacted pursuant to Section 906 of the U.S. Sarbanes-Oxley Act of 2002, that to my knowledge:

(i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 29, 2013

*/s/ Henri Harland*
Henri Harland
Chief Executive Officer

EXHIBIT 99.9

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ENACTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Acasti Pharma Inc. (the “Company”) on Form 40-F for the year ended February 28, 2013 (the “Report”) as filed with the U.S. Securities and Exchange Commission,

I, Xavier Harland, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as enacted pursuant to Section 906 of the U.S. Sarbanes-Oxley Act of 2002, that to my knowledge:

(i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 29, 2013

*/s/ Xavier Harland*
Xavier Harland
Chief Financial Officer