

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Acasti Pharma Inc. ("Acasti")		98-1359336	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Brian Ford	450-686-4555	info@acastipharma.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
3009 Boul. de la Concorde E. Suite 102		Laval, QC, CA H7E 2B5	
8 Date of action		9 Classification and description	
08/27/2021		Type A Statutory Merger Reorganization	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
		ACST	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► [See Attached Statement](#)

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► [See Attached Statement](#)

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► [See Attached Statement](#)

Part II **Organizational Action** *(continued)***17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► _____[See Attached Statement](#)**18** Can any resulting loss be recognized? ► _____[See Attached Statement](#)**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ► _____[See Attached Statement](#)**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ► _____ Date ► _____

Print your name ► **Brian Ford**Title ► **Chief Financial Officer****Paid
Preparer
Use Only**

Print/Type preparer's name		Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Denis Rousseau					P02255679
Firm's name ▶ Ernst & Young LLP				Firm's EIN ▶	98-0092343
Firm's address ▶ 900 De Maisonneuve Blvd. W., #2300, Montreal, QC, CA H3A 0A8				Phone no.	514-875-6060

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

ACASTI PHARMA INC.

ATTACHMENT TO IRS FORM 8937

REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

Notice: The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”), and includes a general summary of certain U.S. federal tax laws and regulations as relating to the effects of the Merger (as defined below). The information contained herein should not be relied upon as tax advice and does not purport to be complete or to provide all tax consequences that may apply in the particular situation of various categories of stock or warrant holders. It is recommended that you consult with your own U.S. tax advisor regarding the consequences of the Merger as applicable to you, as well as the applicability and effect of all U.S. federal, state, local and foreign tax laws as they apply to you.

Form 8937 – Part II – Item 14 (Description of Organizational Action):

On August 27, 2021, Acasti and Grace executed the Agreement and Plan of Merger (the “Merger agreement”), pursuant to which Acasti Pharma U.S., Inc. (“MergerCo”) merged with and into Grace, with Grace as the surviving corporation and a wholly-owned subsidiary of Acasti (the “Merger”).

At the effective time of the Merger, each issued and outstanding share of Grace common stock (after giving effect to the acceleration of the Grace restricted stock and the conversion of the Grace convertible promissory notes) were automatically converted into the right to receive a number of Acasti common shares per share of Grace common stock equal to the equity exchange ratio set forth in the Merger agreement.

Acasti and Grace intend to treat the Merger for U.S. federal income tax purposes as a “reorganization” within the meaning of Section 368 of the Internal Revenue Code of 1986, as amended (the “Code”) that did not result in gain recognition pursuant to Code Section 367(a) for any U.S. Holder of Grace common stock (assuming that, in the case of any U.S. Holder that holds 5% or more (by vote or value) of Acasti immediately after the Merger (taking in to account attribution rules as required by applicable Treasury Regulations) (a “5% U.S. Holder”) such U.S. Holder enters into the 5-year gain recognition agreement with the IRS).

The Merger is described in the Merger Agreement, which is available at:

https://www.sec.gov/Archives/edgar/data/1444192/000117184321003288/exh_21.htm

Form 8937 – Part II – Item 15 (Description of the Quantitative Effect of the Organizational Action):

The Merger was intended by Acasti and Grace to be treated as reorganization within the meaning of Section 368(a) of the Code (a “Section 368 Reorganization”). While this intended tax treatment is not free from doubt, Acasti currently intends to take the position that the Merger is treated as a Section 368(a) Reorganization.

Further, Acasti intends to take the position that the Merger satisfies the requirements applicable under Section 367(a) of the Code and, as a result, generally should not result in U.S. holders of stock of Grace being required to recognize gain as a consequence of the application of Section 367(a) of the Code. Special rules apply under Section 367(a) to “five-percent transferee shareholders” and such shareholders should consult their own tax advisors regarding their specific tax treatment of the Merger (including, but not limited to, the computation of gain/loss and/or tax basis).

Consistent with such intended reporting positions, the discussion in this Form 8937 assumes that the Merger is treated as a Section 368 Reorganization and that U.S. holders of stock of Grace are not required to recognize gain as a consequence of the application of Section 367(a) of the Code.

Pursuant to Section 358 of the Code, the tax basis of the shares of Acasti common stock received by former Grace shareholders generally are expected to be the same as the tax basis in the shares of Grace exchanged therefore in the Section 368 Reorganization.

Form 8937 – Part II – Item 16 (Description of the Calculation of the Change in Basis):

Pursuant to Section 358 of the Code, the former shareholders of Grace generally are expected to have a tax basis equal to the tax basis of their surrendered stock.

Form 8937 – Part II – Item 17 (List of Applicable Internal Revenue Code Sections):

Sections 354, 358, 367(a)(2), 368(a) of the Code. The former shareholders of Grace should consult their own tax advisors regarding their specific tax treatment of these transactions (including, but not limited to, the computation of gain/loss and/or tax basis).

Form 8937 – Part II – Item 18 (Recognition of Loss):

Loss generally is not expected to be recognized as a result of the Merger.

Form 8937 – Part II – Item 19 (Other Information):

The Merger closed in the calendar year 2021, and the tax basis consequences discussed herein should be taken into account in the tax year of the security holder during which the Merger closed (i.e., 2021 for a calendar year taxpayer).