Acasti Pharma

CaPre Misses Key TRILOGY 1 Endpoint, But Due To Unusual Control Data & Not CaPre's Own Lipid-Lowering Pharmacology

ACST-TSXV: $1.22
Speculative Buy
$2.00↓ PT (prev. $4.00)

Event: QC-based omega-3 drug developer Acasti Pharma missed its primary endpoint in the 245-patient Phase III TRILOGY 1/severe hypertriglyceridemia trial for its flagship phospholipid-ester-based mixed omega-3 formulation CaPre. The reason for the miss seems to reflect more on study logistics than on CaPre's underlying pharmacology, since drug-treated patients achieved reasonable & expected magnitude of serum triglyceride reduction at two distinct timepoints (30.5% at three months, 36.7% at six months), but surprisingly, so did control patients treated with cornstarch (a presumably benign branched glucose polymer with a low glycemic index anyway) that achieved serum triglyceride reductions of 27.5%/28.0% at the respective timepoints.

Bottom line: We will provide some context below for how we view CaPre's clinical prospects now that sobering Phase III performance from one of two seminal trials is in the public domain, but regardless of reason, it is nonetheless true that CaPre's clinical/regulatory risk is substantially elevated by TRILOGY 1 data and we have revised our valuation for the firm accordingly. With ongoing biomarker analysis not just from TRILOGY 1 but also from a second Phase III TRILOGY 2 trial on the horizon, and with CaPre itself actually meeting our pharmacologic expectations, we are sustaining a positive if cautious view on CaPre's medical prospects as a niche competitor in the growing omega-3 Rx universe.

Accordingly, **we are maintaining our Speculative BUY rating on ACST, now with a PT of $2.00** (was $4.00) that we still base on NPV and multiples of our F2023 EBITDA/EPS forecasts but now infusing a 40% discount rate (was 20%) into all valuation methodologies (Exhibit 2). There is heightened risk to FDA regulatory timelines in our view, particularly if agency requires additional Phase III data could push out credible timelines to review, but we await finalized TRILOGY 1 & 2 data before rigorously opining on this theme.

Phase III failure on serum triglyceride-lowering for omega-3 formulations, including CaPre, is not easily reconciled with cumulative medical evidence for this drug class: There are abundant clinical signals still forthcoming for CaPre, including follow-up on quantifying changes in other secondary serum biomarkers just in TRILOGY 1 patients alone even before considering pending data from a second 245-patient Phase III TRILOGY 2 trial that should be available before quarter-end. Moreover, we are struck by just how, well, strange it was to see such a strong placebo effect in a Phase III trial for which primary endpoint was based on tangible serum biomarker quantification and not a more subjective multi-faceted composite endpoint as would be germane to, say, benign prostatic hyperplasia (BPH, for which urological symptoms are assessed using a subjective IPSS or Gleason score) or oncology (multiple markets, for which overall survival is a frequent primary endpoint and can be influenced by multiple factors and not just the disease itself), to name two.

Some center-specific peculiarities in control patient data could partially explain relative average performance for CaPre vs control: Interestingly, Acasti indicated that five of its 54 enrolling US centers reported the most dramatic reductions in serum triglycerides in control patients, and it is thus possible that some protocol modifications or secondary lifestyle revisions could have impacted patient metabolic profile independent of any co-administered

Projected Return: 63.9%
Valuation: NPV, 20x EPS, 12.5x EV/EBITDA (20% disc, F2023 estimates)

Market Data	
Basic Shares O/S (M)	85.2
Full-Dil Shares O/S (M)	108.1
Market capitalization (M; basic S/O)	103.9
Enterprise Value	80.0
Adj cash ($M)	25.8
Total debt (rec. Q, $M)	1.9
52 Week Range	$3.08-$0.76
Avg. Daily Volume (M)	11.7899
Fiscal Year End	Mar-31

Milestone Watch (calendar-year)

Efficacy data, COLT trial (Aug-13)	Q313
Efficacy data, TRiFECTA trial (Sept-14)	Q314
Complete TRILOGY I/II enrol (Jun/19)	Q219
Data from Phase III US TRILOGY I/II trials	Q120
CaPre 505(b)(2) filing/FDA approval	Q220/Q221

Financial Metrics (fiscal year-end Mar-31)

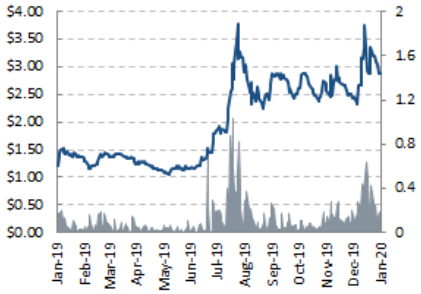
In C$000's	F2021E	F2022E	F2023E
Revenue	5,000	36,435	67,707
EBITDA	(3,328)	26,889	54,143
Adj. Net Income	(4,692)	16,158	34,963
Adj. EPS (fd)	($0.04)	$0.15	$0.32
P/E	*NA*	*8.2x*	*3.8x*
EV/EBITDA	*NA*	*4.0x*	*2.0x*

Valuation Data

		2019A	2020E	2021E
EV/EBITDA	Current	NA	NA	NA
	Peers	8.1x	NA	NA
P/E	Current	NA	NA	NA
	Peers	NA	16.1x	152.7x

Company Description

Acasti Pharma is a QC-based cardiovascular drug devel-oper focused on proprietary krill oil-derived omega-3 phospholipid ester CaPre; pivotal Phase III hypertriglyc-eridemia data from pivotal TRILOGY I/II trials is pending



Source: Consensus Data - FactSet; Forecasts/Estimates - Echelon Wealth Partners

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omega-3-based or control therapies to which they were subjected. It is prudent to reflect on TRILOGY 1 data within the context of just how patients come to be severely hypertriglyceridemic in the first place and there is a strong biochemical rationale for assuming that diet modification could be as impactful as omega-3 supplementation in some patient cohorts. Triglycerides are generated *de novo* in the liver from carbohydrate precursors, with the fatty acid portion of triglycerides generated from smaller two-carbon precursors (bound to a coenzyme A factor to create acetyl CoA) that are produced during glycolysis/Kreb's cycle (the pathway through which glucose is converted to other energy-storing and structural entities), and the glycerol backbone can be similarly derived from this pathway. It is thus not unreasonable to assume that variability in nutritional factors could have impacted serum triglyceride levels in TRILOGY 1, perhaps with some center-by-center variability and independent of the impact that we expected CaPre to have on this parameter.

Exhibit 1 – Financial summary for Acasti Pharma

(C$000, except EPS)	F2019A	F2020E	F2021E	F2022E	F2023E	F2024E	F2025E	F2026E	F2027E	F2028E
CaPre royalty revenue	$0	$0	$0	$28,935	$60,207	$93,959	$114,048	$135,606	$158,720	$183,480
Onemia/Vectos royalties	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Milestone revenue	$0	$0	$5,000	$7,500	$7,500	$7,500	$7,500	$7,500	$7,500	$7,500
Total revenue	**$0**	**$0**	**$5,000**	**$36,435**	**$67,707**	**$101,459**	**$121,548**	**$143,106**	**$166,220**	**$190,980**
Revenue growth (%)	*NA*	*NA*	*NA*	*629%*	*86%*	*50%*	*20%*	*18%*	*16%*	*15%*
EBITDA	($18,328)	($13,328)	($3,328)	$26,889	$54,143	$83,558	$101,066	$120,648	$140,792	$162,371
EBITDA growth (%)	*NA*	*NA*	*NA*	*NA*	*101%*	*54%*	*21%*	*19%*	*17%*	*15%*
EBITDA margin (%)	*NA*	*NA*	*NA*	*74%*	*80%*	*82%*	*83%*	*84%*	*85%*	*85%*
Net Income (ex one-time)	($21,800)	($16,800)	($4,692)	$16,158	$34,963	$55,259	$67,340	$80,851	$94,751	$109,640
EPS (basic)	($0.28)	($0.20)	($0.06)	$0.19	$0.41	$0.65	$0.79	$0.95	$1.11	$1.29
EPS (fd)	($0.21)	($0.16)	($0.04)	$0.15	$0.32	$0.51	$0.62	$0.75	$0.88	$1.01
P/E (fd)	*NA*	*NA*	*NA*	*19.1x*	*8.8x*	*5.6x*	*4.6x*	*3.8x*	*3.3x*	*2.8x*
EV/EBITDA (fd)	*NA*	*NA*	*NA*	*10.6x*	*5.3x*	*3.4x*	*2.8x*	*2.4x*	*2.0x*	*1.8x*

Source: Historicals – Company Information (Acasti Pharma), Forecasts/estimates - Echelon Wealth Partners Inc.

Acasti certainly uses unique control in comparison to its omega-3 development peers, but as a guess, diet/exercise/lifestyle modifications are as likely to contribute to center-specific variability in outcomes: We could reflexively blame the use of cornstarch as a control since other omega-3 Rx developers chose to use more hydrophobic oil-based controls in their respective pivotal studies – Vascepa developer Amarin (AMRN-Q, NR) used mineral oil (a mixture of alkanes & cyclic alkanes, so highly-carbon-based and chemically inert) in both its Phase III MARINE trial and its more recently-completed 8,179-patient five-year cardiovascular risk-assessing REDUCE-IT trial, while Epanova developer AstraZeneca/Omthera (AZN-L, NR) used olive oil (mostly glyceride-bound oleic & linoleic acid, with proportionately more oleic acid) in its corresponding 300-patient EVOLVE trial. Interestingly, Astra was using an alternative lipid-based control, corn oil (also mostly glyceride-bound oleic & linoleic acid, but usually with higher linoleic acid content) in its now-discontinued ongoing 13,086-patient STRENGTH trial, from which five-year cardiovascular event-rate data were previously expected in H220 until Astra announced trial discontinuation earlier today.

We have no major issues conceptually with chemical composition of either control and neither did the FDA when approving both omega-3 forms in Q312 & Q214, respectively, though interestingly the FDA during subsequent review did opine on the possibility that hydrophobic controls could impact absorption of other co-administered lipid-altering drugs such as HMG-CoA reductase inhibitors/statins. This is a plausible consideration in our view and we will be vigilant in considering control therapy composition in future Phase IV studies that could be germane to omega-3 market prospects. But regardless, in each case, control patients did not respond nearly as aggressively on serum triglyceride lowering in MARINE/EVOLVE as did control patients in TRILOGY 1, and this is not readily explained with current laboratory data that at present is limited to top-line serum triglyceride quantification.

We are not yet prepared to discount CaPre's overall clinical history that though dampened by TRILOGY 1 has abundant data sets that are more supportive of its triglyceride-lowering activity: Importantly, Acasti reported statistically-significant reduction in serum triglyceride level in its previously-completed (in Sept/14) 365-patient Phase III TRiFECTA trial, during which a range of CaPre dosage strengths were assessed and with even more dramatic serum triglyceride reductions observed at three month follow-up at all doses tested, including those lower than 4g/day tested in TRILOGY 1 (36.4% with 1g/day dosing, 38.6% with 2g/day dosing). In TRiFECTA, Acasti used microcrystalline cellulose (itself a glucose polymer, like cornstarch, but with distinct chemistry connecting the glucose monomers together) as the control and in so doing, achieved statistically significant reductions in serum triglycerides as compared to control patients in this circumstance. The magnitude of control response was not presented in Acasti's Sept/14 press release, but level of statistical significance was and it was strong at $p<0.001$. As importantly, a sizable proportion of subjects presented at enrollment with milder hypertriglyceridemia than patients enrolled in TRILOGY 1, which makes the proportionate response of serum triglyceride lowering even more dramatic as compared to disease severity at enrollment.

Exhibit 2 – Valuation Scenarios for Acasti Pharma

NPV, discount rate	10%	20%	30%	40%	50%	60%
Implied value per share	$6.89	$3.79	$2.22	**$1.36**	$0.86	$0.55
Price/earnings multiple, F2023	**7.5x**	**10x**	**12.5x**	**15x**	**17.5x**	**20x**
Implied share price[1]	$1.05	$1.39	$1.74	**$2.09**	$2.44	$2.79
EV/EBITDA multiple, F2023	**2.5x**	**5x**	**7.5x**	**10x**	**12.5x**	**15x**
Implied share price[1,2]	$0.64	$1.18	$1.72	**$2.26**	$2.80	$3.34
One-year APO target price				**$1.90**		

[1] *F2023 EPS (fd, fully-taxed) forecast of $0.32; EBITDA of $54.1M, discounted at 40%*

[2] *EV based on FQ220 cash of $ 25.8M (includes $8.7M in post-quarter warrant exercise) & total debt/debentures of $1.9M, fd S/O 108.1MM (basic S/O 85.2M)*

Source: Forecasts/estimates - Echelon Wealth Partners Inc.

Final TRILOGY 1 (and top-line TRILOGY 2) data are still on the horizon, and insights into full-spectrum biomarker analysis could still be useful in assessing CaPre's pharmacologic profile: There are multiple analyses that we would like to see before drawing any definitive conclusions on CaPre's medical prospects, and these include:

- Determining the extent to which serum omega-3 concentration (which Acasti identifies as one of the many secondary endpoints that its laboratory collaborators will be assessing) corresponds to magnitude of serum triglyceride lowering. Clearly serum omega-3 concentration should be lower in control patients and if this proves to be true, we would be interested to see how any protocol variability could have influenced serum omega-3 levels and/or the magnitude of serum triglyceride reduction observed. Until proven otherwise, our model will not assume that any overt protocol violations led to data idiosyncrasies just reported;

- We know that Amarin reported a 27% serum triglyceride reduction at three month follow-up for patients treated with 4g/day Vascepa in its 151-patient Phase III MARINE trial, and this is comparable to that reported for CaPre in TRILOGY 1. For added comparison, AstraZeneca/Omthera reported comparable absolute levels of serum triglyceride reduction of 25.9%/25.5%/30.9% for 1g/2g/4g per day Epanova dosing in the EVOLVE trial, also testing severe hypertriglyceridemia patients. These data as presented are unadjusted for changes in serum triglyceride levels in control patients, which varied for the respective studies and was clearly higher for Acasti in TRILOGY 1 as we described, but absolute magnitude of effect was similar across all three omega-3 forms.

- If indeed there were five enrolling centers that reported higher-than-expected impact on serum triglyceride level in control patients, we would assume that any variation from protocol that could have caused this effect could have similarly impacted CaPre-treated patients at these centers, and if so, we would expect those patients to

experience a correspondingly more pronounced reduction in serum triglycerides as well, as compared to average reductions reported in the overall TRILOGY 1 dataset.

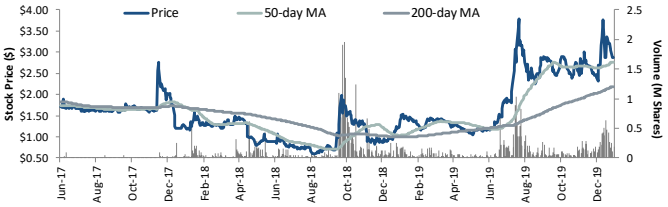
- As we mention above, we are separately struck by the timing of AstraZeneca discontinuing its own REDUCE-IT-like five-year cardiovascular event rate trial testing its mixed omega-3 free fatty acid formulation Epanova, stating in a press release this morning that it does not expect its 13,089-patient STRENGTH trial to achieve significantly lower CV event rate with 4g/day Epanova dosing (which Amarin did observe with its EPA-based Vascepa formulation, as we have described before). Astra's STRENGTH failure certainly anoints Vascepa as the leading branded omega-3 in the US Rx market, and we expect its FDA-endorsed cardiovascular risk benefit claims to drive US sales (and Canadian sales, with HLS Therapeutics; HLS-T, NR) in coming quarters. Amarin's omega-3 formulation clearly differs from other approved alternatives (and CaPre) by being exclusively EPA-based, but with Acasti's TRILOGY 1 trial revealing some interesting possibilities on the importance of control therapy configuration, we will be interested to see how the FDA opines on oil-based vs carbohydrate polymer-based controls in future Phase III studies focused on lipid-altering agents.

- To see the glass as half-full specifically on TRILOGY 1, we do not see FDA as being overly concerned with CaPre's safety profile and there is clearly abundant evidence that agency has no major reservations on endorsing omega-3 Rx formulations as serum triglyceride-lowering agents, which CaPre did demonstrate in TRILOGY 1 if not all that well in comparison to its own control in this specific trial. Recall that CaPre has performed well in a recently-completed 56-patient bioequivalency trial that compared CaPre to Glaxo (GSK-L, NR)/Reliant Pharmaceuticals' mixed omega-3 ethyl ester formulation Lovaza, with several PK parameters favouring CaPre as described in a manuscript published in Mar/19 in the journal *Clinical Therapeutics*. A separate 42-patient PK trial published in the same journal in Dec/19 reported favorable CaPre dosing parameters and tolerability through 1-4 g daily dosing and with minimal food effect on its GI absorption and on achievable serum omega-3 levels relative to Lovaza (which is admittedly likely not to be the leading omega-3 brand going forward, but is still FDA-approved and is still the best molecular/structural comparable to CaPre).

Summary & valuation: As stated, we are **maintaining our Speculative BUY rating on ACST while revising our PT to $2.00 from $4.00,** largely through revising the discount rate embedded in all relevant valuation methodologies (now 40%, a rate we normally preserve for earlier-stage Phase I/II therapy developers) and not through more dramatic revisions to our revenue/EBITDA forecasts. That said, we believe there is greater risk on timelines to FDA 505(b)(2) filing and review now that TRILOGY 1 ambiguity heightens possibility of the requirement for supplemental Phase III data in this patient population. Final biomarker analysis from both TRILOGY 1 & 2 will be impactful on our regulatory risk assessment, and we expect to revisit our ACST valuation once those data sets are in the public domain. We still assume that Acasti will continue to speak with prospective US channel partners for CaPre, but we suspect that timelines to consummating a strategic alliance have been pushed forward by a few quarters and, regardless, will likely await confirmation of TRILOGY 1 & 2 data quality before proceeding.

So risk notwithstanding, our forecasts still assume that CaPre could sell (if FDA-approved, of course) for an average Rx price of US$300/mo or US$3,600 per annual course of therapy, net of rebates/discounts that may be offered (and indeed may be necessary) to drive initial Rx growth, especially with Vascepa enjoying unique cardiovascular risk-specific claims not germane to Lovaza or Epanova or CaPre. Our model still projects FH222 CaPre royalty revenue of $28.9M, increasing to $60.2M in F2023 (the reference year in our EBITDA/EPS-based valuation methods, as indicated above) and $94.0M in F2024. This corresponds to gross sales of US$74.3M-US$154.7M-US$241.5M in F2022-F2024, all conservative in comparison to Amarin's F2020 Vascepa revenue guidance of US$650M-to-US$700M, which we consider to be strong and relevant to CaPre's eventual market prospects, but probably with that revenue level not achievable without competitive cardiovascular risk mitigating data that Amarin now has (and which generic Lovaza developers and Epanova developer AstraZeneca do not).

TEARSHEET - Acasti Pharma (ACST-V, $1.22, BUY, PT: $2.00)

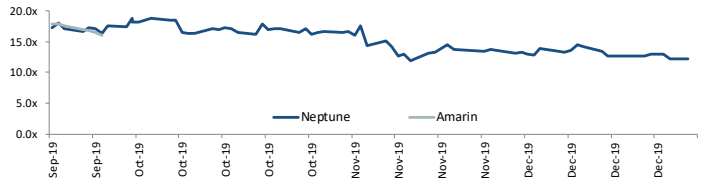


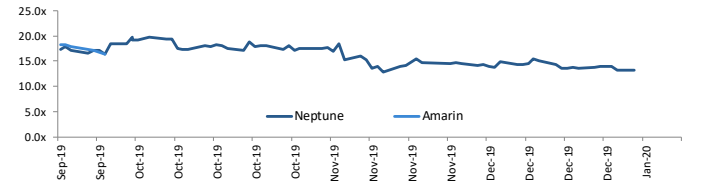
Company Description

Acasti Pharma is a QC-based cardiovascular drug developer focused on proprietary krill oil-derived omega-3 phospholipid ester drug CaPre. Pivotal Phase III testing in severe hypertriglyceridemia is pending

Consensus		Return
Rating:	Buy	
Target:	$7.28	497.1%
Median:	$8.70	613.1%
High:	$10.54	763.8%
Low:	$3.98	225.9%
# Est:	5	
Consensus Distribution		
Sector Outperform/Buy		5
Sector Perform/Hold		0
Sector UnderPerform/Sell		0

Historical Valuations





Financial Summary/Key Metrics	F2018A	F2019A	F2020E	F2021E	F2022E	F2023E	F2024E
C$000's except for per share data							
CaPre royalty revenue	0.0	0.0	0.0	0.0	28,934.6	60,207.1	93,959.1
Onemia/Vectos royalties	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Milestone revenue	0.0	0.0	0.0	5,000.0	7,500.0	7,500.0	7,500.0
Total Revenue	**0.0**	**0.0**	**0.0**	**5,000.0**	**36,434.6**	**67,707.1**	**101,459.1**
Growth y/y	NA	NA	NA	NA	NA	NA	NA
Cons. (C$MM)	0.0	0.0	0.0	5.0	36.4	67.7	101.5
Cons. 3 Mts. Ago (C$MM)	0.0	0.0	0.0	5.0	36.4	67.7	101.5
EBITDA	**(16,095.0)**	**(18,328.0)**	**(13,328.0)**	**(3,328.0)**	**26,888.7**	**54,143.0**	**83,558.2**
Margin	NA	NA	NA	NA	73.8%	80.0%	82.4%
Cons. (C$MM)	NA	NA	NA	NA	73.8%	80.0%	82.4%
Cons. 3 Mts. Ago (C$MM)	NA	(13.3)	(3.3)	27.5	55.4	85.6	103.5
Net Income (ex one-time)	(19,940.0)	(21,800.0)	(16,800.0)	(4,692.0)	16,157.5	34,963.0	55,259.5
EPS (basic)	**($0.78)**	**($0.28)**	**($0.20)**	**($0.06)**	**$0.19**	**$0.41**	**$0.65**
Cons.	($0.95)	($0.54)	($0.30)	$0.29	$0.67	$0.85	$1.22
Cons. 3 Mts. Ago	($0.95)	($0.42)	($0.29)	$0.19	$0.52	$0.57	$0.96
P/E (fd)	NA	NA	NA	NA	19.1x	8.8x	5.6x
EV/EBITDA (fd)	NA	NA	NA	NA	10.6x	5.3x	3.4x

Key Statistics	Value	
52-Wk High:	$4.05	332.0%
52-Wk Low:	$0.67	54.9%
Avg Vol (3-Mo)	1.07	
Shares O/S:	85.3	
Market Cap:	104.1	
Net Debt ($M):	1.9	
Ent. Value ($M):	68.3	
Div Yield:	0.0%	
Website:	http://www.acastipharma.com	
FYE:	Mar 31	
Employees:	N/A	

Summary of CaPre development milestones	Date
Final data from 230 patient Phase II open-label COLT study	Aug-13
Final data from 387 patient Phase II TRiFECTA study	Sept-14
Final data from 56-patient CaPre/Lovaza bridging study	Sept-16
End-of-Phase II FDA meeting sets Phase III study design	Mar-17

Summary of expected CaPre milestones	Date
Commence enrollment in pivotal Trilogy Phase III hypertri-glyceridemia trial	CQ118
Phase III Trilogy I/CaPre final blood lipid data	CQ419
FDA approval/launch, CaPre	CH121-CH221

Valuation			
NPV, discount rate	30%	**40%**	50%
Implied value/share[1]	$2.22	**$1.36**	$0.86
Price/F2023 Earnings Multiple	12.5x	**15.0x**	17.5x
Implied value/share[1]	$1.74	**$2.09**	$2.44
EV/F2023 EBITDA Multiple	7.5x	**10.0x**	12.5x
Implied value/share[1]	$1.72	**$2.26**	$2.80
One year Acasti Target Price (C$)[1]		**$2.00**	

[1] Based on F2023 EPS (fd, fully-taxed) forecast of $0.32; EBITDA of $54.1M, discounted at 40%; EV based on FQ220 cash of $ 25.8M (includes $8.7M in post-quarter warrant exercise) & total debt/debentures of $1.9M, fd S/O 108.1MM (basic S/O 85.2M)

Top Inst. Ownership	M Shares	% Held
Perceptive Advisors LLC	1.78	2.1%
Peconic Partners LLC	0.35	0.4%
Two Sigma Advisers LP	0.34	0.4%
Renaissance Technologies LLC	0.25	0.3%
BMO Asset Management Corp.	0.25	0.3%
Arrow Capital Management, Inc.	0.19	0.2%
Monetta Financial Services, Inc.	0.10	0.1%
AlphaNorth Asset Management	0.07	0.1%
Geode Capital Management LLC	0.06	0.1%
Oppenheimer & Co., Inc. (Wealth Management)	0.06	0.1%

Comparables and Peer Analysis									% Return				Consensus Valuations					
													EBITDA			EPS		
	Ticker	Trading CCY	Current Price	Target Price	Dividend Yield	% Return	Market Cap	Ent. Value	1-Week	1-Month	3-Month	1-Year	T12	2019E	2020E	T12	2019E	2020E
Acasti Pharma Inc. Class A	**ACST**	**CAD**	**$1.22**	**$2.00**	**0.0%**	**63.9%**	**244.9**	**214.6**	**(10.3%)**	**17.6%**	**9.5%**	**135.2%**	**(40.6)**	**(13.3)**	**(3.3)**	**($0.77)**	**($0.54)**	**($0.30)**
Amarin Corporation Plc Sponsored ADR	AMRN	USD	$21.23	$28.91	0.0%	36.2%	7,590.3	6,899.6	(1.0%)	(5.4%)	45.5%	50.9%	(78.6)	(30.4)	8.7	($0.27)	($0.11)	$0.07
Correvio Pharma Corp.	CORV	CAD	$0.55	$4.63	0.0%	742.1%	27.8	61.2	1.9%	(68.4%)	(76.3%)	(81.7%)	(31.1)	(27.7)	(15.6)	($1.20)	($1.00)	($0.55)
Matinas BioPharma Holdings, Inc.	MTNB	USD	$2.07	$4.00	0.0%	93.2%	336.9	300.3	(8.8%)	7.8%	195.7%	181.6%	(16.8)	0.0	0.0	($0.13)	($0.13)	($0.17)
Resverlogix Corp.	RVX	CAD	$1.23	N/A	0.0%	NA	257.6	368.6	0.0%	(13.4%)	24.2%	(63.8%)	(48.7)	0.0	0.0	$0.16	NA	NA
Aker ASA Class A	AKER	NOK	NOK 547	NOK 699	4.1%	31.9%	NOK 40,654	NOK 92,844	0.6%	9.5%	18.9%	13.4%	3,813.0	(261.0)	(254.5)	-NOK 13.73	NOK 33.94	NOK 43.41
Average					0.7%	193.5%			(2.9%)	(8.7%)	36.3%	39.3%						

Comparables - Multiples Analysis	FCF Yield			Current - EV/EBITDA			Target - EV/EBITDA			EV/Revenue			P/E			P/CFPS		
	T12	2019E	2020E	T12	2019E	2020E	T12	2019E	2020E	T12	2019E	2020E	T12	2019E	2020E	T12	2019E	2020E
Acasti Pharma Inc. Class A	**(18.3%)**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**488.4x**	**41.8x**	**NA**	**NA**	**NA**	**-6.4x**	**1.2x**	**-0.2x**
Amarin Corporation Plc Sponsored ADR	(1.3%)	(0.0%)	1.2%	NA	NA	859.7x	NA	NA	NA	24.3x	16.5x	10.0x	NA	NA	292.7x	(85.0x)	0.0x	0.0x
Correvio Pharma Corp.	(28.4%)	NA	NA	NA	NA	NA	NA	NA	NA	1.5x	1.5x	1.1x	NA	NA	NA	(0.7x)	-0.7x	-0.3x
Matinas BioPharma Holdings, Inc.	(12.1%)	NA	NA	NA	NA	NA	NA	NA	NA	NA	2960.2x	172.4x	NA	NA	NA	(28.1x)	0.0x	0.0x
Resverlogix Corp.	(18.3%)	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.0x	0.0x	7.8x	NA	NA	(5.7x)	0.0x	0.0x
Aker ASA Class A	NA	3.4%	8.2%	8.1x	NA	NA	NA	NA	NA	0.7x	0.0x	0.0x	NA	16.1x	12.6x	16.2x	0.0x	0.0x
Average				8.1x	NA	NA	NA	NA	NA	8.8x	577.8x	37.6x	NA	16.1x	152.7x	NA	0.1x	-0.1x

[1] Targets, forecasts and valuations reflect consensus estimates derived from FactSet

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Company: Acasti Pharma | ACST:TSXV
I, Douglas Loe, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities or issuers. I also certify that I have not, am not, and will not receive, directly or indirectly, compensation in exchange for expressing the specific recommendations or views in this report.

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Does the Analyst or any member of the Analyst's household have a financial interest in the securities of the subject issuer? If Yes: 1) Is it a long or short position? No Position; and, 2) What type of security is it? None.	No
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Buy	The security represents attractive relative value and is expected to appreciate significantly from the current price over the next 12 month time horizon.
Speculative Buy	The security is considered a BUY but in the analyst's opinion possesses certain operational and/or financial risks that are higher than average.
Hold	The security represents fair value and no material appreciation is expected over the next 12-18 month time horizon.
Sell	The security represents poor value and is expected to depreciate over the next 12 month time horizon.
Under Review	While not a rating, this designates the existing rating and/or forecasts are subject to specific review usually due to a material event or share price move.
Tender	Echelon Wealth Partners recommends that investors tender to an existing public offer for the securities in the absence of a superior competing offer.
Dropped Coverage	Applies to former coverage names where a current analyst has dropped coverage. Echelon Wealth Partners will provide notice to investors whenever coverage of an issuer is dropped.

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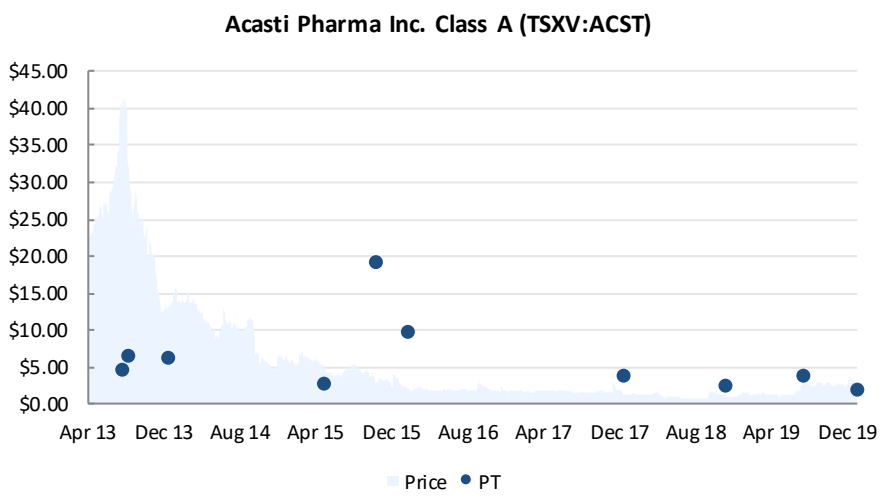
Recommendation Hierarchy	Buy	Speculative Buy	Hold	Sell	Under Review	Restricted	Tender
Number of recommendations	50	42	18	1	7	0	4
% of Total (excluding Restricted)	42%	36%	15%	1%	6%		
Number of investment banking relationships	14	19	5	0	2	0	0
% of Total (excluding Restricted)	35%	48%	13%	0%	5%		

PRICE CHART, RATING & PRICE TARGET HISTORY



Date	Target (C$)	Rating
25 Jul 2013	$4.75	Spec Buy
13 Aug 2013	$6.75	Spec Buy
18 Dec 2013	$6.25	Spec Buy
4 May 2015	$2.75	Spec Buy
19 Oct 2015	$19.25	Spec Buy
28 Jan 2016	$10.00	Spec Buy
21 Dec 2017	$4.00	Spec Buy
15 Nov 2018	$2.50	Spec Buy
25 Jul 2019	$4.00	Spec Buy
13 Jan 2020	$2.00	Spec Buy

Coverage Initiated: Jul 25, 2013

Data sourced from: FactSet

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