UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: IMV Inc., *et al.*, Debtors in a Foreign Proceeding.[1]	Chapter 15 Case No. 23-10589 (KBO) (Joint Administration Requested) **Re: D.I. 4**

DECLARATION OF ANDREW HALL IN SUPPORT OF THE DEBTORS' VERIFIED PETITION FOR (I) RECOGNITION OF FOREIGN MAIN PROCEEDING, (II) RECOGNITION OF FOREIGN REPRESENTATIVE, (III) RECOGNITION OF AMENDED AND RESTATED INITIAL ORDER, AND (IV) RELATED RELIEF

I, Andrew Hall, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury under the law of the United States as follows:

1. I am the Chief Executive Officer of IMV Inc. (the "Foreign Representative"), which is the duly appointed foreign representative of the above captioned debtors (collectively, the "Debtors" or "IMV"), in Canadian proceeding (the "Canadian Proceeding") commenced under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA), pending before the Supreme Court of Nova Scotia (the "Canadian Court"). I am authorized to provide this declaration on behalf of the Foreign Representative and each of the Debtors.

2. I have been Chief Executive Officer of IMV Inc. since January 2022. Prior to that, I held the position of Chief Business Officer since November 2020. I am also President of each of the other Debtors. As such, I have personal knowledge of the matters deposed to in this declaration. Where I have relied on other sources for information, I have specifically referred to

[1] The Debtors in these chapter 15 proceedings, together with the last four digits of their business identification numbers, are: IMV Inc. (6991); IMV USA Inc. (4184) ("IMV USA"); and Immunovaccine Technologies Inc. (6772) ("IVT"). The location of the Debtors' headquarters and the Debtors' foreign representative is: 130 Eileen Stubbs Avenue, Suite 19, Dartmouth, Nova Scotia B3B 2C4.

such sources and believe them to be true. In preparing this declaration, I have consulted with legal, financial and other advisors to, as well as other members of the senior management team of, the Debtors. The Debtors do not waive or intend to waive any applicable privilege by any statement herein.

3. All references to monetary amounts in this affidavit are in Canadian dollars unless otherwise noted, and do not represent amounts or measures prepared in accordance with US GAAP.

I. Introduction

4. IMV is a clinical-stage biopharmaceutical company developing a portfolio of immune-educating therapies based on their novel DPX lipid-in-oil delivery platform ("DPX").

5. IMV commenced operations in March 2000, based on animal health research pioneered at Dalhousie University in Halifax, Nova Scotia, when it was contracted by the Department of Fisheries and Oceans to develop a contraceptive to control the seal population.

6. IMV was able to develop a contraceptive and delivery system that demonstrated long-lasting efficacy from a single dose such that 90% of seals, 10 years after treatment, were still contracepted. From 2000 to 2008, IMV concentrated its research efforts on animal contraception for both wildlife and companion animals.

7. IMV continued to develop its various technologies and began exploring potential new human applications. This research eventually led to acquiring peptides to the tumour associated antigen, survivin, from Merck KGaA in 2010. Merck had been unable to generate optimal T cell activation using traditional vaccine delivery technology.

8. By reformulating these same survivin peptides in its DPX delivery platform, IMV saw improved T cell reactivity in preclinical research highlighting the potential for the treatment

of human cancers and IMV's first clinical candidate, maveropepimut-S ("MVP-S", formerly "DPX Survivac") emerged. Since that time, MVP-S has shown favourable clinical outcomes in multiple cancer indications and across multiple clinical studies.

9. IMV currently has no products approved for commercial sale and has not generated any revenue from product sales. Its only revenue consists primarily of income earned on cash balances held at commercial banks.

10. IMV Inc. is publicly traded and, as a result, has funded its operations primarily through public and private equity offerings and research support payments generated from collaborations with third parties.

11. In December 2021, IMV entered into a secured venture debt agreement with *inter alia* Horizon Technology Finance Corporation ("Horizon"). The agreement provided for a maximum of $33.85 million in debt across two tranches which were fully drawn down in June 2022. The loan matures in July 2025 and is interest only until January 2024, with an option to extend the interest only period by 6 months upon meeting a pre-determined clinical milestone.

12. In September 2022, IMV completed a strategic reorganization in order to reduce future cash needs and further streamline the organizational focus. The workforce was reduced by approximately one third and the organization focused its resources on driving to near-term value-creating milestones, namely on MVP-S development in Ovarian and DLBCL and further validation of the DPX platform.

13. In March 2023, following an unexpected decline in its share price and resulting difficulty raising funds through capital markets, IMV engaged Stonegate Healthcare Partners, L.L.C ("Stonegate") to explore strategic alternatives following a review of its business.

14. The Debtors require the flexibility of the CCAA and breathing space from the exercise of creditor remedies in order to continue the review of its strategic alternatives initiated with Stonegate. The Debtors entered the Canadian Proceeding with the objective of implementing one or more transaction(s), as the case may be, which would allow the Debtors' business to continue, albeit in a different form, for its DPX technology to continue to be developed in the hope that it can one day change the lives of patients with cancer.

15. Alternatively, in the event that no transaction materializes, the Canadian Proceeding will provide the Debtors with the time and breathing space required to wind down its operations in a responsible, controlled and orderly manner and to maximize value for its stakeholders. While the Debtors hope and expect this will not be required, it is critically important given the sensitive nature of the Debtors' business and its importance to their clinical trial participants.

16. The Debtors seek relief under chapter 15 of 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code") so that that Canadian Proceeding is recognized in the United States and so that the Canadian Proceeding is the single forum for the Debtors' sale process, restructuring, and administration of any and all claims against the Debtors.

II. IMV's Business and Corporate Structure

A. Overview of IMV's Business

17. IMV is a clinical-stage biopharmaceutical company developing a novel class of cancer vaccines based on DPX, an immune-educating technology platform.

18. IMV's laboratory and head office is located in premises rented at 130 Eileen Stubbs Avenue, Suite 19, Dartmouth, Nova Scotia. IMV also rents administrative offices in Québec City,

Québec and in Cambridge, Massachusetts (although the Debtors intent to vacate and disclaim the lease for the Massachusetts office in the Canadian Proceeding).

19. IMV is leveraging the unique mechanism of action of the DPX platform to create novel immune-educating cancer vaccines, which are designed to induce an immune response that mimics the natural flow of antigens through the immune system.

20. Through the expertise of its teams, the quality of its science and emerging strategic partnerships, IMV's mission is to push the boundaries of its novel immunotherapeutic platform to offer better treatments for patients with solid or hematological cancers.

21. As previously stated, IMV currently has no products approved for commercial sale and therefore has not generated any revenue from product sales.

22. Being a clinical-stage biopharmaceutical company, IMV's operations consist mainly in research and development, including sponsoring clinical studies, with the objective of achieving commercialization for one or more of its product candidates.

23. IMV has developed and implemented GMP (Good Manufacturing Practices) manufacturing process for MVP-S and DPX-SurMAGE. The scale-up methods have been transferred to, and manufacturing has been contracted out to reputable contract development and manufacturers to manufacture sterile products for clinical purposes.

24. IMV relies on third parties, with internal oversight, to conduct its clinical trials and may establish collaborations with third parties for the development and commercialization of its product candidates. IMV's clinical trials are currently being conducted across twelve (12) regulatory jurisdictions throughout the world.

(i) Clinical Studies[2]

25. IMV is currently sponsoring six (6) clinical studies being conducted using the DPX platform involving IMV's lead candidate MVP-S.

26. The clinical development of MVP-S is focused on exploring its therapeutic potential in stage-gated clinical trials, with the goal of advancing MVP-S toward registration trials based on observed clinical signals in each stage.

27. MVP-S is currently being evaluated by IMV in clinical trials for hematologic and solid cancers, including Diffuse Large B Cell Lymphoma ("DLBCL") as well as ovarian, bladder and breast cancers.

28. In IMV's clinical studies, over 300 patients have been dosed with MVP-S and the treatment is generally well tolerated with only mild to moderate site injection reactions reported as the primary adverse event. Treatment is administered in very low doses approximately once every two months, which is designed to drive a persistent immune attack. Clinical data supports the therapeutic potential of MVP-S in human cancers and also suggests that the anti-tumour activity of MVP-S in some tumour types may be further enhanced through combination with other immune modulators and/or anti-cancer drugs.

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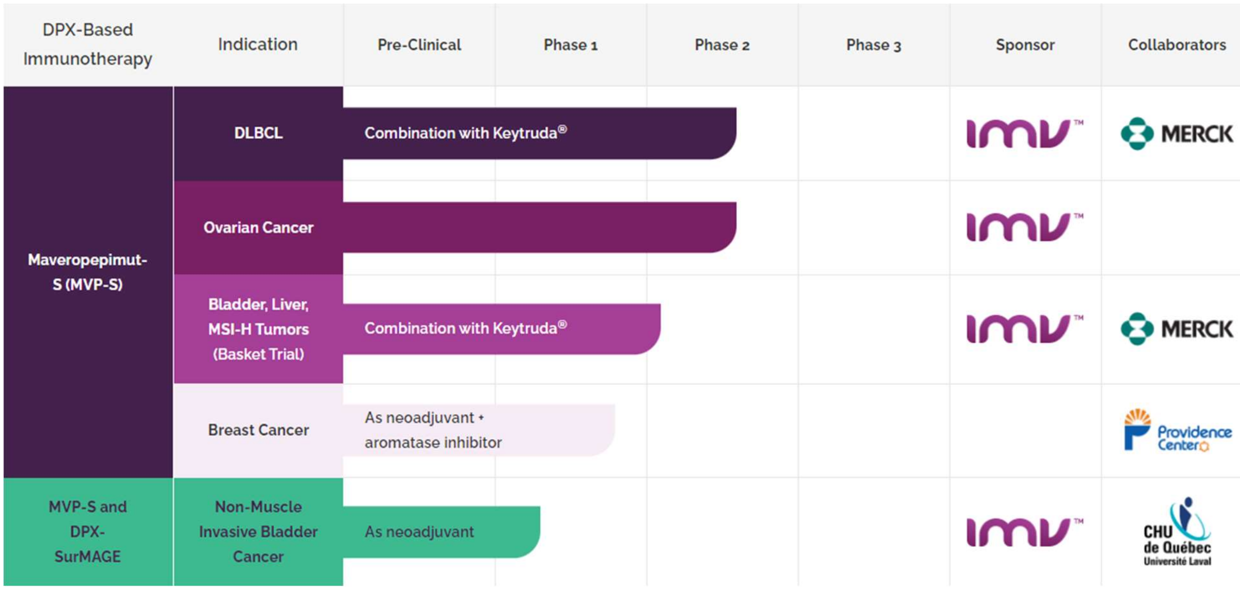
[2] The clinical investigation of a drug or biologic is generally divided into three or four phases:

- **Phase 1.** The drug or biologic is introduced into healthy human subjects or subjects with the target disease or condition. These studies are designed to evaluate safety, dosage tolerance, metabolism and pharmacologic actions of the investigational new drug in humans, the side effects associated with increasing doses, and where possible, to gain early evidence on effectiveness.
- **Phase 2.** The drug or biologic is administered to a limited patient population to evaluate dosage tolerance and optimal dosage, identify possible adverse side effects and safety risks, and preliminarily evaluate efficacy.
- **Phase 3.** The drug or biologic is administered to an expanded patient population, generally at geographically dispersed clinical trial sites to generate enough data to statistically evaluate dosage, clinical effectiveness and safety, to establish the overall benefit-risk relationship of the investigational new drug product, and to provide an adequate basis for physician labelling.
- **Phase 4.** In some cases, approval for a product candidate may be conditioned on the sponsor's agreement to conduct additional clinical trials after approval. In other cases, a sponsor may voluntarily conduct additional clinical trials after approval to gain more information about the drug or biologic. Such post-approval studies are typically referred to as Phase 4 clinical trials.

29. The following table illustrates the various clinical studies currently being conducted through the DPX platform as well as their progress:



(ii) Intellectual Property

30. IMV's intellectual property portfolio (the "<u>Intellectual Property</u>") relating to its vaccine platform technology includes 22 patent families containing 66 issued patents and 77 pending patent applications in 12 jurisdictions (including applications filed and/or patents granted in the United States, Europe, Canada, Australia, Japan, India, Israel, Singapore, Brazil, Taiwan, China and separately Hong Kong).

31. IMV's patents and applications cover specific DPX compositions with broad utility for infectious diseases and cancer applications, as well as methods of manufacture and other applications of the platform technology.

32. These patents, together with the pending applications if allowed, extend patent protection for some or all DPX-based compositions and/or uses thereof approximately up to the year 2041.

33. Trademark protection for the platform name DPX has been registered in Canada, the United States and the European Union.

B. Banking and Cash Management System

34. The Debtors have seven bank accounts as described below:

(a) IVT CIBC Canadian Checking Account – this account is used for weekly vendor payment by way of EFT payments and cheques. Monthly interest is received on the account and ad hoc payments can be issued from this account;

(b) IVT CIBC Canadian Investment Account – there is no current activity in this account since all recent investments fund have been through the USD in-vestment account;

(c) IVT CIBC Second Canadian Investment Account – this account has been dormant for some time;

(d) IVT CIBC USD Account – this account is used for weekly vender payments by way of ACH payments and cheques. Monthly interest is earned, and monthly insurance loan payment are withdrawn at the beginning of the month. Ad hoc payments and transfers to other bank accounts are completed as needed;

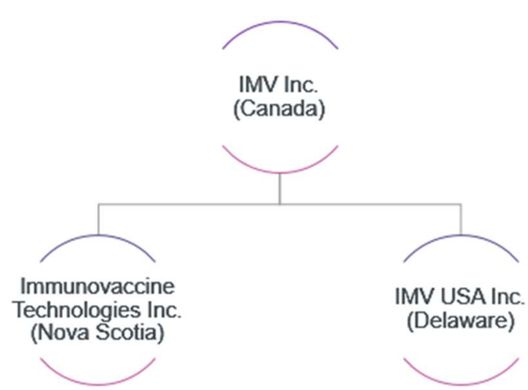
(e) IMV USA CIBC USD Account – this account is used for bi-weekly U.S. payroll and monthly rental payments;

(f) U.S. Bank Prepaid Credit Card Account – this prepaid credit card works similar to a debit card and is funded by transfers from the U.S. IVT bank account as needed. The account is used for monthly subscriptions, travel and miscellaneous credit card payments; and

(g) CIBC Wood Gundy USD Account – this account is a money market account for higher interest earning and can be withdrawn on 24 hours business day notice.

C. Corporate Structure and Governance

35. IMV Inc. has two 100% owned subsidiaries, IVT and IMV USA.



36. IMV Inc., the parent company of IVT and IMV USA, is incorporated under the *Canada Business Corporation Act* (the "CBCA") and is headquartered and domiciled in Dartmouth, Nova Scotia.

37. Prior to the commencement of the Canadian Proceeding, IMV Inc. was a listed issuer and its common shares traded on the Toronto Stock Exchange ("TSX") and the Nasdaq Stock Market ("NASDAQ") under the symbol "IMV". However, further to discussions with the TSX and NASDAQ, trading of IMV Inc.'s shares did not open on May 1, 2023 and has been halted since that time. The TSX and the NASDAQ are currently evaluating IMV Inc.'s suitability for continued listing on these exchanges and it is expected that IMV Inc. will be de-listed. IMV Inc. serves as the parent company and it is used for financing and debt purposes only.

38. IVT is IMV's main operating entity and is incorporated under the *Companies Act* (Nova Scotia). IVT is the registered owner of IMV's Intellectual Property and trademarks and currently employs all of the Debtors' employees, except the employees located in the United States. Most of the Debtors' bank accounts are held by IVT. IVT is the lessor under the Debtors' leases for a Québec office and the Nova Scotia headquarters and laboratories. IVT is also the owner of all laboratory equipment used in the Debtors' operations.

39. IMV USA is IMV's subsidiary in the United States and is incorporated under the laws of Delaware. IMV USA has no operations and is dependent on IMV and IVT for its financing and human resources functions. IMV USA's sole purpose is to facilitate compensation of employees located in the United States and as such, at the time of the commencement of the Canadian Proceedings it employed the Debtors' nine employees located in the United Sates (two in Florida, one in Georgia, three in Massachusetts, one in New Jersey and two in Pennsylvania), and retained one consultant based in the United States, the costs of all which are borne by IMV

and IVT. Following the organizational restructuring that occurred after commencement of the Canadian Proceeding and one employee resignation, IMV USA now employs three employees in the United States (one in Florida, one in Massachusetts, and one in New Jersey). The Debtors are likely to end their engagement with the U.S.-based consultant during the pendency of the Canadian Proceeding.

40. Given its limited purpose, the management of IMV USA is primarily handled by IMV finance and human resources executives located in Canada, and its books and records are maintained in Canada. IMV USA is also the lessee under a lease for 3,400 s.f. of fully furnished office space in Cambridge, Massachusetts, which IMV USA has recently vacated. The Debtors intend to disclaim this lease in the Canadian Proceeding.

41. The management team of IMV is currently comprised of:

(a) Andrew Hall, Chief Executive Officer;
(b) Brittany Davison, Chief Accounting Officer;
(c) Jeremy Graff, Chief Scientific Officer;
(d) Marie-Eve Charrois, Vice President, Regulatory Affairs and Pharmacovigilange; and
(e) Stéphan Fiset, Vice-President, Clinical Research

42. IMV is a consolidated business with offices and operations in Canada and the United States; however, its operations are mainly conducted from Canada:

(a) the majority of the Debtors' assets are located in Canada;
(b) all of the T accounting, marketing, finance and administrative functions are located in Dartmouth, Nova Scotia;
(c) all research and development and quality system management are located in Dartmouth, Nova Scotia;
(d) most clinical trial oversight is located in Canada;
(e) the supply chain is managed from Dartmouth, Nova Scotia;
(f) more than 50% of the Debtors' management team and almost all of the Debtors' employees are located in Canada;
(g) all information technology functions are provided out of Dartmouth, Nova Scotia; and
(h) the Debtors' treasury management functions, including management of accounts receivable and accounts payable, are in Dartmouth, Nova Scotia.

43. IMV Inc. has a legal board of directors with a majority of independent international caliber members. The board is composed of:

(a) Michael P. Bailey, Chairman of the board, independent director, Chief Executive Officer and Board member of Aveo Oncology, who has more than 25 years of experience in the pharmaceutical industry;
(b) Andrew Hall, Chief Executive Officer, who has more than 20 years of executive experience in biopharmaceuticals and life science;
(c) Brittany Davison, Chief Accounting Officer, who has over 10 years of financial reporting experience, including experience working for an international accounting and advisory organization, and has been with IMV since 2014;
(d) Michael Kalos, PhD, independent director, internationally recognized expert in T cell therapy and immunotherapy, who has over 25 years of experience and expertise in cell therapy, oncology vaccines and immune-oncology;
(e) Shabnam Kazmi, independent, CEO of Asellus Ventures, who has over 30 years of experience in the pharmaceutical and biotechnology industries, specializing in oncology;
(f) Kyle Kuvalanka, independent director, Chief Financial Officer and Chief Operating Officer at Goldfinch Bio, who has over 20 years of experience as a senior leader in the biopharmaceutical industry;
(g) Saman Maleki, independent director, Translational Immuno-Oncology Scientist with extensive training background in Immunology, Cancer Biology and Microbiology; and
(h) Markus Warmuth, independent director, Venture Partner at Versant Ventures and Chief Executive Officer of Monte Rosa Therapeutics, who has more than 20 years of immuno-oncology and precision medicine drug development expertise.

III. IMV's Financial Situation

A. IMV's Financial Difficulties

44. As previously stated, IMV is a clinical-stage biopharmaceutical company and therefore its operations consist mainly in research and development, including sponsoring clinical studies, with the objective of achieving commercialization for one or more of its product candidates.

45. Given that IMV is currently in the preclinical and clinical stages of development, it does not yet have any products approved for commercial sale and consequently has not generated any revenue from product sales. Since its inception, IMV's revenues have consisted primarily of income earned on cash balances held at a commercial bank. IMV does not expect to generate any revenues until such time as it obtains regulatory approval and commercializes one or more of its product candidates.

46. To date, IMV has financed its operations primarily through public offerings in Canada, private placements of securities, government grants and research support payments generated from collaborations with third parties. IMV has devoted substantially all efforts to research and development, including clinical trials.

47. It is uncertain when or if IMV will achieve commercialization; however, IMV expects that its operating expenses will continue to increase in connection with ongoing and new, later-staged clinical trials, expanded preclinical activities and the development of product candidates in the pipeline. IMV therefore needs additional funding in order to continue its operations.

48. Since its inception, IMV Inc. has incurred significant operating losses. The net loss was \$51.5 million for the year ended December 31, 2022, \$49.6 million for the year ended December 31, 2021, and \$31.7 million for the year ended December 31, 2020. As of December 31, 2022, IMV Inc. had an accumulated deficit of \$261.2 million.

49. In September 2022, in order to reduce future cash needs and further streamline the organizational focus, IMV completed a strategic reorganization. IMV's workforce was reduced by approximately one third and the organization focused its resources on driving to near-term value-

creating milestones, namely on MVP-S development in Ovarian and DLBCL and further validation of the DPX platform.

50. In April 2022 and February 2023, IMV announced positive results in respect of two of its ongoing clinical trials. IMV hoped that these announcements would elicit a positive market reaction and allow it to raise the additional capital required to further continue its ongoing clinical studies.

51. Despite the growing industry enthusiasm surrounding the cancer vaccine space and these recent clinical trial results, the current market conditions limited IMV's opportunities to raise the additional capital required to continue its clinical trials and realize the full potential of its lead candidate, MVP-S.

52. As disclosed to the market in accordance with its reporting obligations, and namely in its audited consolidated financial statements for the fiscal year ending December 31, 2021 ("IMV's 2021 Financial Statements"), IMV's ability to continue as a going concern was dependent upon raising additional funding through equity and non-dilutive funding and partnerships. Unfortunately, the current market conditions limited IMV's ability to raise the additional funding required which forecasted short-term liquidity issues for IMV. Attached hereto as **Exhibit A** is a copy of IMV's 2021 Financial Statements.

53. In light of the foregoing, in March 2023 IMV engaged Stonegate to assist it in the context of a review of its strategic alternatives, namely to pursue financing alternatives which included equity, debt, and non-dilutive financing alternatives, including co-development through potential collaborations, strategic partnerships or other transactions with third parties, that may or may not include merger and acquisition activities.

54. As of the date hereof, despite the significant efforts expended by IMV, IMV has otherwise been unable to secure the additional funding required in the near term, thus jeopardizing the continuance of its operations as a going concern.

B. The Stonegate Process

55. In March 2023, following an unexpected decline in its share price and resulting difficulty raising funds through capital markets, IMV engaged Stonegate to explore strategic alternatives following a review of its business.

56. Stonegate prepared teaser materials, including a solicitation letter summarizing the acquisition and investment opportunity with respect to the business and/or assets of IMV (the "Teaser"). The opportunities that were marketed by Stonegate did not contemplate expressly any acquisition or investment through an insolvency process.

57. In the context of the Stonegate process, Stonegate sent the Teaser to approximately 880 potentially interested parties across 8 different target groups, including both strategic and financial targets, who conduct business in North America, Europe and, to a lesser extent, Asia. The Teaser was modified slightly for each target group.

58. Stonegate canvassed the market by sending its Teaser by email on three separate occasions and followed up by phone with the parties who expressed interest further to receiving the Teaser and with other strategically selected targets.

59. IMV also reached out directly to parties that had previously expressed interest in IMV's DPX technology, to solicit them for pursuit of a strategic acquisition or merger.

60. Despite the significant efforts expended by IMV, with the assistance of Stonegate, to pursue a restructuring outside of formal insolvency proceedings, IMV was unable to secure the additional funding required or implement a transaction in the near term.

C. IMV's Current Financial Situation

61. IMV's audited consolidated financial statements for the fiscal year ending December 31, 2022 ("IMV's 2022 Financial Statements"), demonstrate that the Debtors had, on a consolidated basis, total liabilities amounting to $58.5 million, including its lease obligations. Attached hereto as **Exhibit B** is a copy of IMV's 2022 Financial Statements.

62. IMV's 2022 Financial Statements further demonstrates that the Debtors had, on a consolidated basis, assets with a book value of $42.45 million, consisting primarily of cash and cash equivalents, accounts receivable, prepaid expenses, laboratory equipment and right-of-use assets.

63. As of December 31, 2022, IMV expected that existing cash and cash equivalents and identified potential sources of cash, would be sufficient to fund IMV's operations and capital expenditure requirements into the second half of 2023.

64. At this time, and despite the strategic reorganization implemented in September 2022 in order to reduce future cash needs and further streamline the organizational focus, the Debtors expect that they will not be able to meet their obligations as they generally become due within a reasonable proximity of time as compared with the time reasonably required to implement a restructuring.

65. Therefore, as the Debtors are insolvent, further to a review of its strategic alternatives, IMV determined that it was in the best interest of all stakeholders to initiate the Canadian Proceeding under the CCAA.

IV. IMV's Stakeholders

A. Horizon and Powerscourt

66. IMV is party to a Venture Loan and Security Agreement dated as of December 17, 2021, entered into among IMV Inc., IVT and IMV USA, as borrowers, Horizon, as lender and collateral agent, and Powerscourt Investments XXV, LP ("Powerscourt" and together with Horizon, the "Lenders"), as lender (the "Horizon Agreement"), pursuant to which the Lenders agreed to make available to IMV various loans which, in the aggregate, total $33.85 million and were to be disbursed upon the achievement of certain milestones (the "Venture Loan").

67. On December 17, 2021, the Lenders disbursed loans totaling an amount of $20.31 million. The remaining amount of the Venture Loan, totaling $13.54 million was disbursed by the Lenders on June 22, 2022, such that, as of the date hereof, IMV has received the entirety of the Venture Loan.

68. As of December 31, 2022, IMV's indebtedness towards the Lenders totaled $33.85 million.

69. The Venture Loan and the obligations of IMV under the Horizon Agreement are secured by a priority security interest in all assets of IMV, excluding the Intellectual Property. IMV has, however, entered into a negative pledge agreement with the Lenders regarding Intellectual Property . Attached hereto as **Exhibit C** are copies of: (i) the financing statements filed by the Lenders at the Personal Property Securities Register of Nova Scotia and of the certified extract of the Register of personal and Movable Real Rights and (ii) the financing statements filed by Horizon with the Delaware Department of State under the Uniform Commercial Code.

B. ACOA

70. Through its Atlantic Innovation Fund Program, Atlantic Canada Opportunities Agency ("ACOA") has made available to IMV Inc. and IVT various loans up to a total maximum aggregate amount of $10.73 million (the "AIF Loans"). The AIF Loans were provided by ACOA for the purpose of funding specific projects to be undertaken by IMV and identified in the AIF Loan documents.

71. Through its Business Development Program, ACOA has also made available to IMV Inc. and IVT a loan in the total amount of $395,000 (the "BDP Loan" and together with the AIF Loans, the "ACOA Loans"). The BDP Loan was provided by ACOA to fund the development of a Good Manufacturing Practices (GMP) clinical manufacture of IMV's first clinical stage infectious disease vaccine candidate.

72. As of December 31, 2022, IMV's indebtedness towards ACOA under the ACOA Loans totaled $10.24 million.

73. The ACOA Loans are unsecured and, with the exception of the BDP Loan, are only repayable based on a percentage of future gross revenues.

C. The Employees

74. Prior to the commencement of the Canadian Proceeding, IMV employed 58 employees located in Canada, the United States and France, including 33 employees at its headquarters in Dartmouth, Nova Scotia. Following the organizational restructuring that occurred after commencement of the Canadian Proceeding and one employee resignation, IMV now employs 28 employees, with three in the United States and 25 in Canada (15 of which are located at IMV's headquarters in Dartmouth, Nova Scotia).

75. All wages owed to IMV's employees are paid in the ordinary course of business. IMV does not maintain any pension or retirement plans. Payroll is paid bi-weekly (and monthly for the employee in France) and totals $224,000 per month, including the matching RRSP contributions. As of the commencement of the Canadian Proceeding, no outstanding wages are owed by IMV to its employees.

76. As of the commencement of the Canadian Proceeding, accrued vacation pay owed by IMV to its employees is in the order of $277,000.

D. Clinical Study and EAP Patients

77. As of the commencement of the Canadian Proceeding, there are currently 30 patients receiving treatment in IMV's ongoing clinical studies and 8 patients in screening. There are currently no active patients in IMV's Expanded Access Program.

E. Equity Holders

78. The authorized share capital of IMV Inc. consists of an unlimited number of common shares, and an unlimited number of preferred shares. As of March 15, 2023, there were 11,711,637 issued and outstanding common shares (the "Common Shares") and no issued and outstanding preferred shares.

79. In addition to the Common Shares, as of March 15, 2023, 5,447,256 shares were reserved for the issuance of outstanding stock options, warrants and deferred share units.

80. As per the latest 13-F filings dated mid-February 2023, Armistice Capital, LLC (9.9%) and *Fonds de solidarité des travailleurs du Québec (F.T.Q.)* (7.9%) were the two largest shareholders of IMV Inc.. Other long standing institutional holders with less than 5% ownership include; CTI Life Sciences, Ruffer, and Lumira. The remaining shareholders of IMV Inc. are primarily Canadian retail investors.

F. Other Significant Unsecured Creditors

81. As of December 31, 2022, IMV owed $12.24 million to trade and non-trade suppliers.

82. On May 5, 2023, the Canada Revenue Agency (the "CRA") informed Canadian counsel to the Debtors that certain quarterly harmonized sales tax ("HST") returns were not filed for IMV Inc. Further, the CRA has indicated to Canadian counsel that outstanding amounts may be due to it by IVT on account of certain remittances not having been made. The amount of any such tax obligations has not yet been determined, however the Debtors believe that no HST is owing or collectable from IMV Inc. as it typically files nil returns. Upon confirmation that no HST is owed, IMV Inc. intends to file nil returns with the CRA in the near future. Further, while the Debtors are not aware of any amounts due and owing by IVT, they will continue to investigate the matter.

V. The Canadian Proceeding

83. On April 28, 2023, the Debtors commended the Canadian Proceeding with the Canadian Court pursuant to an application under the CCAA with the goals of: (i) building on the informal solicitation process conducted by Stonegate prior to the initiation of the Canadian Proceeding to undertake a sales process overseen by the Canadian Court, *i.e.* the SISP (defined below) and (ii) implement a thorough and efficient claims procedure and propose a plan of compromise or arrangement to its creditors, allowing all stakeholders to maximize recovery and allowing IMV to emerge as a restructured and financially healthy entity that will be ready to face the challenging times that the biotechnology industry is grappling with.

A. The Initial Order

84. On May 1, 2023, the Canadian Court entered an initial order (the "Initial Order"), a certified copy of which is attached to each of the Debtors' chapter 15 petitions. Among other things, the Initial Order:

(a) granted a stay of proceedings staying all proceeding and remedies taken or that might be taken in respect of the Debtors and their respective Directors and Officers (as defined therein), or any of their property, except as otherwise set forth in the Initial Order or as otherwise permitted by law (the "Stay of Proceedings") until and including May 5, 2023 (the "Stay Period");

(b) appointed IMV Inc. as the Foreign Representative of the Debtors and authorized it to apply for recognition of the Canadian Proceeding under chapter 15 of the Bankruptcy Code;

(c) appointed FTI Consulting Canada Inc. to act as monitor of the Debtors in the Canadian Proceeding (the "Monitor");

(d) granted an Administration Charge (as defined therein) of $350,000 and a Directors' Charge (as defined therein) of $450,000 to cover the potential exposure of the beneficiaries of such charges for the initial Stay Period;

(e) declared that Nova Scotia is the "*center of main interest*" of the Debtors and, accordingly, authorizing the Debtors to apply, as they may consider necessary or desirable, to any other court, tribunal, regulatory, administrative or other body, wherever located, for orders to recognize and/or assist in carrying out the terms of the Initial Order and any subsequent Orders rendered by the Canadian Court in the context of the Canadian Proceeding, including, without limitation, orders under Chapter 15 of the Bankruptcy Code; and

(f) authorized the Debtors to pay salary, accrued vacation and a small portion of the severance owed to employees terminated in the context of the Canadian Proceeding and to temporarily maintain their group benefits;

B. Events Following Entry of the Initial Order

85. Since the granting of the Initial Order, the Debtors, in close consultation and with the assistance of the Monitor, have been working in good faith and with due diligence to stabilize their business and operations as part of the Canadian Proceeding.

86. Immediately after obtaining CCAA protection, the senior leadership team of the Debtors, including myself, held meetings with the Debtors employees to inform them of the news. The Debtors also promptly informed Horizon the collateral agent under the Venture Loan Agreement, of the issuance of the Initial Order and requested a meeting in order to engage in discussions regarding the relief that would be sought at the Comeback Hearing (defined below).

87. Shortly thereafter, a press release was published at the direction of IMV in order to inform its various stakeholders of this important development. Individual, targeted communications were also sent by IMV to employees, suppliers, investigators and contract research organizations which are currently conducting IMV's clinical studies as well as to the various regulators in the twelve (12) jurisdictions across which its clinical trials are currently being conducted explaining the general nature of the Debtor's initial application under the CCAA and the Canadian Proceeding, the role of the Canadian Court and the Monitor, as well as the immediate implications of the Initial Order for each particular stakeholder group. For employees and suppliers, the targeted communications also included "*Frequently Asked Questions*".

88. I am informed by the Monitor that:

(a) the Monitor has established a website at http://cfcanada.fticonsulting.com/imv (the "Monitor's Website") on which updates on the Canadian Proceeding will be posted periodically, together will all the materials filed in the Canadian Proceeding;

(b) the Monitor has established a dedicated email address (imv@fticonsulting.com) and hotlines (416-649-8121 or 1-833-860-8353) to allow stakeholders to communicate directly with the Monitor in order to address any questions or concerns in respect of the Canadian Proceeding;

(c) in accordance with the Initial Order, on May 1, 2023, the Monitor posted the Initial Order and the motion materials on the Monitor's Website; and

(d) the Monitor has taken the necessary steps in order to publish a notice in La Presse+ (to be published on May 6, 2023), the Wall Street Journal (to be published on May 5, 2023), and the Globe and Mail (National Edition) (to be published on May 5, 2023), containing the information prescribed under the CCAA. The notices will be published again in the same newspapers in the week following their initial publication.

89. Finally, as noted above, on May 1, 2023, IMV commenced an organizational restructuring, reducing its workforce from 58 total employees to 28, in order to limit its cash burn during the Canadian Proceeding.

C. The Comeback Hearing and Amended and Restated Initial Order

90. On May 5, 2023, the Canadian Court held a hearing in the Canadian Proceeding (the "Comeback Hearing") to consider extending the relief granted in the Initial Order as well as grant additional relief in an amended and restated Initial Order. The Canadian Court also considered the Debtors' request for a court approved claims process in the Canadian Proceeding.

91. On May 5, 2023, the Canadian Court entered an amended and restated Initial Order (the "Amended and Restated Initial Order"), a certified copy of which is attached to each of the Debtors' chapter 15 petitions and as Exhibit 1 to the Provisional Relief Order (defined below). The Amended and Restated Initial Order provides for an extension of the Stay Period through and until July 17, 2023, with respect to actions taken against the Debtors as well as their Directors and Officers. Specifically, the Amended and Restated Initial Order provides:

> Until and including the day of July 17, 2023, or such later date as this Court may order (the "**Stay Period**"), no claim, grievance, application, action, suit, right or remedy, or proceeding or enforcement process in any court, tribunal, or arbitration association (each, a "**Proceeding**") including but not limited to seizures, right to distrain, executions, writs of seizure or execution, any and all actions, applications, arbitration proceedings and other lawsuits existing at the time of this Order in which any of the Applicants is a defendant, party or respondent (either individually or with other Persons (as defined hereinafter)) shall be commenced, continued, or enforced against or in respect of any of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and

the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court. The entities related to or affiliated with the Monitor shall also be entitled to the protection, benefits and privileges afforded to the Monitor pursuant to this paragraph.

. . .

During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current, or future, *de jure* or *de facto*, directors or officers of the Applicants, nor against any person deemed to be a director or an officer of any of the Applicants under subsection 11.03(3) of the CCAA (the "**Directors and Officers**"), with respect to any claim against the directors or officers that arose prior to the Effective Time and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court, these proceedings are dismissed by final order of this Court, or with leave of this Court.

Amended and Restated Initial Order, ¶¶ 16, 25 (the "Stay Provisions").

92. In addition, among other things, the Amended and Restated Initial Order:

(a) confirms the appointment of IMV Inc. as the Foreign Representative of the Debtors and its authority to apply for recognition of the Canadian Proceeding under chapter 15 of the Bankruptcy Code;

(b) confirms that Nova Scotia is the "*center of main interest*" of the Debtors and, accordingly, authorizing the Debtors to apply, as they may consider necessary or desirable, to any other court, tribunal, regulatory, administrative or other body, wherever located, for orders to recognize and/or assist in carrying out the terms of the Amended and Restated Initial Order and any subsequent Orders rendered by the Canadian Court in the context of the Canadian Proceeding, including, without limitation, orders under Chapter 15 of the Bankruptcy Code;

(c) confirms the appointment of the Monitor;

(d) provides that during the Stay Period, rights and remedies, including those that would be deemed to occur upon the filing of the Canadian Proceeding by the Debtors, against the Debtors or affecting their Business or Property are stayed and suspended absent the written consent of the Debtors and Monitor or leave of the Canadian Court;

(e) prohibits parties from discontinuing, failing to renew per the same terms and conditions, failing to honor, alter, interfere with, repudiate, terminate, or cease to perform any right in favor of or held by the Debtors;

(f) prohibits parties with written or oral agreements with the Debtors for the supply of good or services from discontinuing, failing to renew per the same terms and conditions, altering, interfering with, or terminating the supply of such goods or services as may be required by the Debtors;

(g) approves a priority charge on the Debtors' assets in favor of the Debtors' counsel, the Monitor, and the Monitor's counsel in the amount of $750,000;

(h) approves a priority charge on the Debtors' assets in favor of the Debtors' Directors and Officers in the amount of $275,000;

(i) approves the Debtors' Key Employee Retention Plan (the "KERP") and a priority charge on the Debtors' assets in favor of the employees that are referred to in the KERP in the amount of $575,000 (the "KERP Charge"); and

(j) approves the sale investment solicitation process (the "SISP") under the CCAA.

93. The SISP is the centerpiece of the Debtors' efforts to reorganize under the CCAA. Indeed, a successful restructuring of the Debtors is only possible with the implementation of one or more transactions in respect of the business and/or assets of the Debtors. As a result, the outcome of the Canadian Proceeding hinges on the outcome of a SISP to be implemented in the context of the Canadian Proceeding.

94. The Debtors, with the assistance of their legal advisors and the Monitor, as well as in consultation with Horizon, have prepared the bidding procedures pursuant to which the SISP would be conducted. The SISP is intended to solicit interest in, and opportunities for, a broad range of executable transactions in respect of the business and/or assets of the Debtors. If approved, the SISP will be conducted by the Monitor with the assistance of the Applicants and in consultation with Horizon. The proposed SISP procedures contemplate that the SISP will have two mandatory phases to identify a successful bid : (a) a non-binding LOI phase to qualify prospective bidders as

“Qualified Bidders” and (b) a binding offer phase where Qualified Bidders submit binding offers. If necessary, an auction can be held in order to determine the successful bid.

95. The timeline for the proposed SISP provides prospective bidders with an opportunity to submit an LOI until June 19, 2023, and Qualified Bidders are required to submit a binding offer at the latest by July 10, 2023. The proposed timeline strikes a balance between the requirement to conduct a thorough SISP while also ensuring that IMV will be able to fund same with available cash. Furthermore, in the event that no LOI or, not LOI satisfactory to the Applicants are received further to the first phase of the SISP, IMV will have the option to terminate the SISP and sufficient fund to proceed to the orderly and responsible winding down of its business and operations, including its clinical trials.

96. The SISP procedures approved by the Canadian Court are attached to the Amended and Restated Initial Order, which is attached to each of the Debtors’ chapter 15 petitions and as Exhibit 1 to the Provisional Relief Order.

97. On May 5, 2023, the Canadian Court approved a claims process for the administration of all claims against the Debtors and the Directors and Officers in the Canadian Proceeding under the CCAA (the “Claims Process Order”). The claims process is designed to make the process as easy as possible for the Debtors’ creditors to have their claims recognized and resolved, while also providing the Debtors with the necessary information regarding the universe of claims against them, as they move forward with their restructuring and develop a solution for the benefit of all of their stakeholders. The claims process has several claims bar dates for different types of creditors—the general bar date is July 31, 2023 (5:00 p.m., Halifax Time), the bar date for claims against Directors and Officers is August 29, 2023 (5:00 p.m., Halifax Time), and the bar date for claims related to the Debtors’ restructuring is the later of July 31, 2023 (5:00 p.m.,

Halifax Time) or 30 days following the receipt by a creditor of a notice from the Debtors giving rise to such a claim. Employee claims are handled under "negative notice" with employees receiving an employee claim statement from the Debtors, providing details as to the employee's claim—the employee has until June 30, 2023 (5:00 p.m., Halifax Time) to respond to the employee claim statement. The claims process establishes procedures for claims disputes with flexible adjudication mechanisms. The claims process ensures that the universe of claims is comprehensively solicited and that the nature, quantum, and validity of claims are determined fairly, comprehensively, and expeditiously at the appropriate time and ultimately ensures that claims are treated in accordance with the remedial objectives of the CCAA. The Foreign Representative expects that the Canadian Court will enter an order approving and establishing the claims process on May 8, 2023, after which the Foreign Representative intends to seek recognition of the such order by this Court.

VI. The Chapter 15 Cases

98. On the date hereof (the "Petition Date"), the Debtors each filed a chapter 15 petition and the Foreign Representative filed the *Verified Petition for (I) Recognition Of Foreign Main Proceeding, (II) Recognition of Foreign Representative, (III) Recognition of Amended and Restated Initial Order, and (IV) Granting Related Relief* (the "Verified Petition") and a proposed order granting the relief sought in the Verified Petition (the "Recognition Order"), thus initiating these chapter 15 cases.

A. Statements in Support of Recognition of the Canadian Proceeding

99. In both the Initial Order entered on May 1, 2023 and in the Amended and Restated Initial Order entered on May 5, 2023, the Canadian Court appointed IMV Inc. as the "foreign representative" for the purposes of commencing chapter 15 proceedings under the Bankruptcy Code—indeed, both orders authorize the Foreign Representative to apply for foreign recognition

and approval of the Canadian Proceeding in the United States pursuant to chapter 15 of the Bankruptcy Code. It is my understanding that IMV Inc. satisfies the definition of a "foreign representative" as that term is defined in section 101(24) of the Bankruptcy Code.

100. The Debtors hold property in the United States. IMV Inc. holds 100% of the stock of IMV USA, a Delaware corporation. It is my understanding that under Delaware law, the stock of a Delaware corporation is considered property located in Delaware. Further, both IMV USA and IVT hold interests in the unused portion of a retainer provided to the Debtors' U.S. counsel, Troutman Pepper Hamilton Sanders, LLP in the amount of approximately $50,000, which is being held in the firm's bank account at WSFS Bank in Wilmington, Delaware.

101. The Debtors seek recognition of the Canadian Proceeding in the United States pursuant to sections 1504 and 1515 of the Bankruptcy Code and have filed these chapter 15 cases in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). That is, the Foreign Representative is seeking recognition of the Canadian Proceeding as a "foreign main proceeding," as such term is defined in section 1502(4) of the Bankruptcy Code, as well as seeking other necessary or appropriate relief in support of the Canadian Proceeding, including certain provisional relief in advance of the hearing to consider recognition of the Canadian Proceeding as a "foreign main proceeding" (the "Recognition Hearing"). I have been informed that the Bankruptcy Code provides for recognition of foreign proceeding as a "foreign main proceeding" if such foreign proceeding is a "foreign proceeding" pending in a country where the debtor has "the center of its main interests."

102. I have been informed that the Canadian Proceeding is a "foreign proceeding" as they are a collective judicial proceeding authorized and supervised by the Canadian Court under the CCAA and pursuant to the Amended and Restated Initial Order. It is my understanding that

for these reasons, the Canadian Proceeding qualifies as a "foreign proceeding" as that term is defined in Section 101(23) of the Bankruptcy Code. In compliance with Section 1515(b) of the Bankruptcy Code, a certified copy of the Initial Order, which commenced the Canadian Proceeding, and the Amended and Restated Initial Order is attached to the Provisional Relief Order as Exhibit 1 and attached to each of the Debtors' Chapter 15 petitions.

103. In addition, I believe that each of the Debtors' has their center of main interests in Canada as such term is used in section 1502(4) of the Bankruptcy Code. The Debtors have substantially more ties to Canada than to any other country. Indeed, as stated above:

(a) IMV Inc. is incorporated under the *CBCA* and is headquartered and domiciled in Dartmouth, Nova Scotia;
(b) IVT is the Debtors' main operating entity and is incorporated under the Companies Act (Nova Scotia). IVT is the registered owner of the Debtors' intellectual property and trademarks and currently employs all of the Debtors' employees, except the employees located in the United States. Most of the Debtors' bank accounts are held by IVT. IVT is the lessor under the Debtors' leases for the Québec office and Nova Scotia headquarters and laboratories. IVT is also the owner of all laboratory equipment used in the Debtors' operations.
(c) the majority of the Debtors' assets are located in Canada;
(d) all of the Debtors' accounting, marketing, finance and administrative functions are located in Dartmouth, Nova Scotia;
(e) all of the Debtors' research and development and quality systems management are located in Dartmouth, Nova Scotia;
(f) most clinical trial oversight is located in Canada;
(g) the Debtors' the supply chain is managed from Dartmouth, Nova Scotia;
(h) more than 50% of the Debtors' management and almost all of the Debtors' employees are located in Canada;
(i) all of the Debtors' information technology functions are provided out of Dartmouth, Nova Scotia;
(j) the Debtors' treasury management functions, including management of accounts receivable and accounts payable, are in Dartmouth, Nova Scotia;
(k) IMV USA is IMV Inc.'s subsidiary in the United States and is incorporated under the laws of Delaware. IMV USA has no operations and is dependent on IMV and IVT for its financing and human resources functions. IMV USA's sole purpose is to facilitate compensation of employees located in the United States and as such, it employs the Debtors' three employees located in the United Sates (one in Florida, one in Georgia, and one in Massachusetts), and retains one consultant based in the United States

(although the Debtors intend to end this engagement during the pendency of the Canadian Proceedings), the costs of all which are borne by IMV Inc. and IVT; and

(l) Given its limited purpose, the management of IMV USA is primarily handled by IMV finance and human resources executives located in Canada, and its books and records are maintained in Canada. IMV USA is also the lessee under a lease for 3,400 s.f. of furnished office space in Cambridge, Massachusetts, which IMV USA recently vacated. Its only assets in the United States are computers, monitors and other electronics.

104. Further, I understand that, as noted above, the Canadian Court has ruled in the Amended and Restated Initial Order that Nova Scotia, Canada is the Debtors' center of main interests.

105. I also believe recognition of IMV Inc. as the Debtors' "foreign representative" and recognition of the Canadian Proceeding as a "foreign main proceeding" are consistent with the purpose of chapter 15 and will allow the Debtors to effectuate a potential restructuring or conduct a court-supervised sales process in the most efficient manner without jeopardizing creditors' rights.

106. Accordingly, the Foreign Representative and the Debtors believe, and respectfully submit, that the recognition of the Canadian Proceeding as a foreign main proceeding commenced under the CCAA is appropriate under the circumstances.

B. Statements in Support of Joint Administration and Notice Procedure Motions

107. The Debtors are affiliates of each other and each of their cases were contemporaneously on the Petition Date in the Bankruptcy Court. Accordingly, I believe that joint administration of these chapter 15 cases for procedural purposes only, as well as permitting the filing of consolidated lists of the information required by Bankruptcy Rule 1007(a)(4), will be an administrative convenience for the Bankruptcy Court, the court clerk's office, and interested parties.

108. Further, I believe that noticing procedures set forth in the contemporaneously filed *Motion for Order (A) Scheduling Hearing on Recognition of Chapter 15 Petitions and (B)*

Specifying Form and Manner of Service of Notice (the "Notice Procedures Motion") are appropriate in light of the number of creditors, potential creditors, and other parties of interest, all of whom need to be provided with, among other things, notice of the entry of the Provisional Relief Order, the proposed Recognition Order, the deadline to object to recognition of the Canadian Proceeding, and the Recognition Hearing. The Foreign Representative has prepared a form of notice advising of these and related matters (the "Recognition Hearing Notice"), a copy of which is annexed to the Notice Procedures Motion. Under the facts and circumstances of the Debtors' chapter 15 cases, I submit that service of the Recognition Hearing Notice in the manner proposed in the Notice Procedures Motion will provide those parties identified as the Notice Parties (as defined in the Notice Procedures Motion) in the Notice Procedures Motion with due and sufficient notice of the relief requested in the Verified Petition and associated objection deadline and hearing dates.

C. Statements in Support of Provisional Relief Motion

109. The Foreign Representative commenced these chapter 15 cases in order to provide the Debtors with the breathing room and stability necessary to effectuate the SISP or effectuate a potential restructuring or, including by seeking certain provisional relief between the Petition Date and the Bankruptcy Court's entry of the proposed Recognition Order. Accordingly, the Foreign Representative filed the *Motion for Provisional Relief Pursuant to Section 1519 of the Bankruptcy Code* (the "Provisional Relief Motion") and a proposed order granting the Provisional Relief Motion (the "Provisional Relief Order"). The relief sought by the Provisional Relief Motion includes, among other things, the Bankruptcy Court's immediate ordering of the application of sections 361, 362, 364 and 365 of the Bankruptcy Code to these chapter 15 cases. It also seeks the recognition, on a provisional basis from the Petition Date through the entry of the Recognition

Order, recognition of the Amended and Restated Initial Order (with the exception of those provisions approving the SISP, the KERP, and the KERP Charge).

110. The Foreign Representative believes that entry of the Provisional Relief Order is vital to the success of the Canadian Proceeding. Indeed, while the Debtors received the protection of "Stay Provisions" and certain other key protections, pursuant to the Amended and Restated Initial Order, the Debtors may be exposed to potentially adverse action in the United States by certain creditors and other parties in interest who may disregard the Amended and Restated Initial Order.

111. Application of provisional relief pursuant to sections 362, 364 and 365(e) of the Bankruptcy Code in these cases is critical to the prevention of irreparable harm to the Debtors' reorganization proceeding in Canada. Unless the Provisional Relief Order is granted and all creditors are enjoined, the Debtors face the risk that creditors may take unilateral action in the United States to assert claims against the Debtors or their Directors and Officers, undermining the Stay Provisions as well as administration of the claims process approved by the Canadian Court. Likewise, the provisional relief sought will protect the Debtors' assets in the United States, including its U.S. patents.

112. In addition, many of the Debtors critical contracts are with U.S. entities. If these contract counterparties sought to declare a default or otherwise cease performing under these contracts, it would cause irreparable harm to the Debtors' business—many of these contracts are vital to the clinical trial work done by the Debtors. Entry of the Provisional Relief Order would extend the protections of the Bankruptcy Code and the Amended and Restated Initial Order such that counterparties in the United States would be foreclosed from taking such actions.

113. The relief requested by the Debtors is required to prevent individual creditors from acting to frustrate the purpose of the Canadian Proceeding by disregarding the Amended and Restated Initial Order. Entry of the Provisional Relief Order will allow for the fair and efficient administration of the Canadian Proceeding and the maximization of value for all creditors.

114. Accordingly, I believe that the provisional relief requested in the Provisional Relief Motion is necessary and appropriate under the circumstances.

[Signature Page Follows]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: May 8, 2023

Andrew Hall
CEO of IMV Inc., Foreign Representative

Exhibit A

Consolidated Financial Statements
December 31, 2021

March 16, 2022

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of IMV Inc. (the "Corporation") are the responsibility of management and have been approved by the Board of Directors. The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The consolidated financial statements include some amounts and assumptions based on management's best estimates which have been derived with careful judgment.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to ensure that the financial records are reliable for preparation of the consolidated financial statements. The Audit Committee of the Board of Directors reviewed and approved the Corporation's consolidated financial statements and recommended their approval by the Board of Directors.

(signed) "*Andrew Hall*"
Chief Executive Officer

(signed) *"Pierre Labbé"*
Chief Financial Officer

Approved on behalf of the Board of Directors

(signed) *"Andrew Sheldon"*, Director

(signed) *"Kyle Kuvalanka"*, Director

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of IMV Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of IMV Inc. and its subsidiaries (together, the Company) as of December 31, 2021, December 31, 2020 and January 1, 2020, and the related consolidated statements of equity, loss and comprehensive loss and cash flows for the years ended December 31, 2021 and 2020, including the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, December 31, 2020 and January 1, 2020, and its financial performance and its cash flows for the years ended December 31, 2021 and 2020 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Substantial Doubt About the Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has incurred significant operating losses and negative cash flows from operations since inception and has an accumulated deficit as of December 31, 2021, and has stated that these events or conditions indicate that a material uncertainty exists that may cast substantial doubt on the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company changed its functional and presentation currency to the United States dollar in 2021.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP[1]

Québec, Canada
March 16, 2022

We have served as the Company's auditor since 2003.

[1] CPA auditor, CA, public accountancy permit No. A124423

IMV Inc.

Consolidated Statements of Financial Position

As at December 31, 2021, December 31, 2020 and January 1, 2020

(Expressed in thousands of United States dollars except for share and per share amounts)

	December 31, 2021 $	December 31, 2020 $ (Recast - note 2)	January 1, 2020 $ (Recast - note 2)
Assets			
Current assets			
Cash and cash equivalents	38,616	36,268	10,805
Amounts receivable (note 6)	602	1,574	649
Prepaid expenses	6,037	4,416	2,329
Investment tax credits receivable	1,135	1,519	1,276
	46,390	43,777	15,059
Property and equipment (note 9)	3,731	2,221	2,174
	50,121	45,998	17,233
Liabilities			
Current liabilities			
Accounts payable, accrued and other liabilities (note 7)	8,607	7,228	4,776
Current portion of long-term debt (note 10)	73	856	68
Current portion of lease obligation (note 8)	265	109	77
Warrant liabilities (note 11)	318	–	–
	9,263	8,193	4,921
Lease obligation (note 8)	1,387	953	928
Long-term debt (note 10)	17,929	6,050	6,432
	28,579	15,196	12,281
Equity	21,542	30,802	4,952
	50,121	45,998	17,233

Going concern (note 1)

The accompanying notes form an integral part of these audited annual consolidated financial statements.

IMV Inc.

Consolidated Statements of Equity

For the years ended December 31, 2021 and 2020

(Expressed in thousands of United States dollars except for share and per share amounts)

	Share capital $ (note 12)	Contributed surplus $ (note 13)	Warrants $ (note 14)	Deficit $	Accumulated other comprehensive income $	Total $
Balance, January 1, 2020 (recast – note 2)	90,294	6,676	254	(92,272)	–	4,952
Net loss for the period	–	–	–	(26,059)	–	(26,059)
Other comprehensive income	–	–	–	–	2,660	2,660
Total comprehensive loss for the period	–	–	–	(26,059)	2,660	(23,399)
Issuance of shares in public equity offering	30,000	–	–	–	–	30,000
Share issuance costs in a public equity offering	(1,494)	–	–	–	–	(1,494)
Issuance of shares and warrants in a private placement	15,117	–	2,678	–	–	17,795
Share and warrant issuance costs in private placement	(108)	–	–	–	–	(108)
Redemption of DSU's	128	(132)	–	–	–	(4)
Warrants exercised	2,286		(565)			1,721
Warrants expired	–	251	(251)	–	–	–
DSUs:						
Value of services recognized	–	401	–	–	–	401
Employee share options:						
Value of services recognized	–	753	–	–	–	753
Exercise of options	482	(297)	–	–	–	185
Balance, December 31, 2020 (recast – note 2)	136,705	7,652	2,116	(118,331)	2,660	30,802
Balance, December 31, 2020 (recast – note 2)	136,705	7,652	2,116	(118,331)	2,660	30,802
Net loss and comprehensive loss for the period	–	–	–	(36,589)	–	(36,589)
Issuance of shares and warrants in public equity offerings	20,692	–	6,643	–	–	27,335
Share and warrant issuance costs in public equity offerings	(1,709)	–	(563)	–	–	(2,272)
Redemption of DSU's	331	(432)				(101)
DSUs:			–	–	–	
Value of services recognized	–	583	–	–	–	583
Employee share options:						
Value of services recognized	–	1,738	–	–	–	1,738
Exercise of options	217	(171)	–	–	–	46
Balance, December 31, 2021	156,236	9,370	8,196	(154,920)	2,660	21,542

The accompanying notes form an integral part of these audited annual consolidated financial statements.

IMV Inc.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended December 31, 2021 and 2020

(Expressed in thousands of United States dollars except for share and per share amounts)

	December 31, 2021 $	December 31, 2020 $ (recast – note 2)
Income		
Subcontract revenue	–	3
Interest income	188	222
	188	225
Expenses		
Research and development	23,080	19,904
General and administrative	16,020	11,344
Government assistance (note 5)	(3,230)	(4,991)
Accreted interest and valuation adjustments (note 10)	907	27
	36,777	26,284
Net loss for the year	(36,589)	(26,059)
Other comprehensive income		
Currency translation adjustment (note 2)	–	2,660
Total comprehesive loss for the year	(36,589)	(23,399)
Basic and diluted loss per share	(0.49)	(0.39)
Weighted-average shares outstanding	74,198,439	60,305,264

The accompanying notes form an integral part of these audited annual consolidated financial statements.

IMV Inc.

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in thousands of United States dollars except for share and per share amounts)

	December 31, 2021 $	December 31, 2020 $ (recast – note 2)
Cash provided by (used in)		
Operating activities		
Net loss loss for the year	(36,589)	(23,399)
Charges to operations not involving cash		
Depreciation of property and equipment	541	384
Accreted interest and valuation adjustments	907	27
Fair value adjustment on government loan	(367)	(491)
Loss on disposal of assets	30	54
Deferred share unit compensation	583	401
Stock-based compensation	1,738	753
	(33,157)	(22,271)
Net change in non-cash working capital balances related to operations		
Decrease (increase) in amounts receivable	972	(925)
Increase in prepaid expenses	(1,214)	(1,495)
Decrease (increase) in investment tax credits receivable	384	(243)
Increase in accounts payable, accrued and other liabilities	970	1,401
	(32,045)	(23,533)
Financing activities		
Proceeds from issuance of share capital and warrants in private placement	–	17,795
Share and warrant issuance costs in private placement	–	(108)
Proceeds from public equity offerings	27,335	30,000
Share Issuance costs in public equity offerings	(2,272)	(1,494)
Proceeds from the exercise of stock options	46	185
Proceeds from the exercise of warrants	–	1,721
Proceeds from short-term borrowings	–	2,296
Repayment of short-term borrowings	–	(2,030)
Proceeds from long-term debt	14,836	704
Repayment of long-term debt	(4,069)	(31)
Repayment of lease obligation	(114)	(80)
	35,762	48,958
Investing activities		
Acquisition of property and equipment	(1,402)	(331)
Net change in cash and cash equivalents during the year	2,315	25,094
Cash and cash equivalents – Beginning of year	36,268	10,805
Effect of foreign exchange on cash and cash equivalents	33	369
Cash and cash equivalents – End of year	38,616	36,268
Supplementary cash flow		
Interest received	188	222

The accompanying notes form an integral part of these annual audited consolidated financial statements.

(Expressed in thousands of United States dollars except for share and per share amounts)

1 Nature of operations and going concern

IMV Inc. (the "Corporation" or "IMV") is, through its 100% owned subsidiaries, a clinical-stage immuno-oncology company developing a portfolio of therapies based on DPX®, our novel immune-educating technology platform, that informs a specific, robust, and persistent anti-tumor immune response, offering long-lasting benefit to patients with solid or hematological cancers. Our DPX® technology is a unique and patented delivery platform that can incorporate a range of bioactive molecules to produce targeted, long-lasting immune responses enabled by various formulated components. We believe our versatile, immune-educating technology can be developed for application in a variety of therapeutic areas where generation of a target-specific immune response is expected to mitigate disease. The Corporation's lead candidate, maveropepimut-S (or "MVP-S", previously known as "DPX-Survivac") is a DPX-based immunotherapy that targets survivin-expressing cells for elimination by educated, cytotoxic T cells. Survivin is overexpressed in most solid and liquid tumors and survivin expression is highly correlated with aggressive tumors and poor prognosis in multiple cancers. MVP-S is currently being evaluated in multiple clinical trials for hematologic and solid cancers, including Diffuse Large B Cell Lymphoma as well as ovarian, bladder and breast cancers.

The Corporation has one reportable and geographic segment. Incorporated under the Canada Business Corporations Act and domiciled in Dartmouth, Nova Scotia, Canada the shares of the Corporation are listed on the Nasdaq Stock Market and the Toronto Stock Exchange under the symbol "IMV". The Corporation's principal place of business is 130 Eileen Stubbs Avenue, Suite 19, Dartmouth, Nova Scotia, Canada and it also has corporate offices in Cambridge, MA and Quebec, QC.

These financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. Since the Corporation's inception, the Corporation's operations have been financed through the sale of shares, issuance of debt, revenue from subcontracts, interest income on funds available for investment, government assistance and income tax credits. The Corporation has incurred significant operating losses (2021 -$36,589, 2020 - $23,399) and negative cash flows from operations since inception and has an accumulated deficit of $154,920 as at December 31, 2021.

The ability of the Corporation to continue as a going concern is dependent upon raising additional financing through equity and non-dilutive funding and partnerships. Further, the Corporation's loan agreement with Horizon contains certain conditions and restrictive covenants, including cross-default provision which puts IMV in default if IMV defaults on its other long-term debt obligations. The Corporation is in compliance with its debt covenants. There can be no assurance that the Corporation will have sufficient capital to fund its ongoing operations, develop or commercialize any products without future financings. These material uncertainties cast substantial doubt as to the Corporation's ability to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Corporation is currently pursuing financing alternatives that may include equity, debt, and non-dilutive financing alternatives including co-development through potential collaborations, strategic partnerships or other transactions with third parties, and merger and acquisition opportunities. There can be no assurance that additional financing will be available on acceptable terms or at all. If the Corporation is unable to obtain additional financing when required, the Corporation may have to substantially reduce or eliminate planned expenditures or the Corporation may be unable to continue operations.

The Corporation's ability to continue as a going concern is dependent upon its ability to fund its research and development programs and defend its patent rights. These consolidated financial statements do not reflect the

(Expressed in thousands of United States dollars except for share and per share amounts)

1 Nature of operations and going concern (continued)

adjustments to the carrying values of assets and liabilities and the reported expenses and statements of financial position classifications that would be necessary if the Corporation were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

An outbreak of a novel strain of coronavirus, identified as “COVID-19”, was declared a global pandemic by the World Health Organization on March 11, 2020. The extent to which the ongoing pandemic may cause significant disruptions to IMV’s business and greater impacts to results of operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the duration and severity of outbreaks, including potential future waves or cycles, the variants and the effectiveness of actions to contain and treat COVID-19. The Corporation cannot predict the duration, scope and severity of any potential business shutdowns or disruptions, including to ongoing and planned clinical studies and regulatory approval prospects. Further prolonged shutdowns or other business interruptions could result in material and negative effects to the Corporation’s ability to conduct its business in the manner and on the timelines currently planned, which could have a material adverse impact on IMV’s business, results of operations, and financial condition. The COVID-19 pandemic continues to evolve, and the Corporation will continue to monitor the effects of COVID-19 on its business.

2 Basis of presentation

The Corporation prepares consolidated financial statements in accordance with Canadian generally accepted accounting principles as set out in the Chartered Professional Accountants of Canada Handbook – Accounting Part I, which incorporates International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were approved by the Board of Directors on March 16, 2022.

Functional and presentation currency

Effective January 1, 2021, the Corporation has adopted the United States dollar ("USD") as its functional and presentation currency. Prior to this date, the functional and presentation currency was the Canadian dollar ("CAD"). The change in the functional currency from the CAD to the USD was made to more closely reflect the primary economic environment in which the Corporation currently operates. As a result of the advancement of the Corporations’s development programs, the Corporation has incurred and anticipates incurring the majority of future operating costs including research and development costs denominated mainly in USD. In addition, these costs will be financed from USD proceeds received from At-the-Market distribution agreements (“ATM”) executed in 2020. The Corporation also anticipates that potential future sales revenues and financings will be primarily denominated in USD. As such, these consolidated financial statements are measured in USD. On January 1, 2021, the change in functional currency resulted in the assets and liabilities as of December 31, 2020 being translated in USD using the exchange rate in effect on that date, and equity transactions were translated at historical rates. The change in functional currency was applied prospectively.

The change in presentation currency was applied retrospectively in accordance with IAS 8 – *Accounting Policies, changes in Accounting Estimates and Errors*, and therefore, these consolidated financial statements are presented in USD, together with the comparative information as at December 31, 2020, for the year ended

(Expressed in thousands of United States dollars except for share and per share amounts)

2 Basis of presentation (continued)

December 31, 2021, and for the consolidated statement of financial position as at January 1, 2020. For comparative purposes, historical consolidated financial statements were recast in USD by translating assets and liabilities at the closing rate in effect at the end of the respective period, revenues, expenses and cash flows at the average rate in effect for the respective period and equity transactions at historical rates. Any exchange difference resulting from the translation was included in accumulated other comprehensive income presented in shareholders' equity.

3 New standards and interpretations not yet adopted

In January 2020, the IASB issued amendments to Presentation of financial statements ("IAS 1") to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2023. The Corporation is currently evaluating the impact of this amendment on its consolidated financial statements.

The IASB issued amendments to IAS 12, "Income Taxes", on 7 May 2021. The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Coproration has assessed the impact of amendments to IAS 12 and there will be no impact on the consolidated financial statements of the Corporation as a result of the adoption of this standard.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that are expected to have a material impact on the consolidated financial statements of the Corporation.

4 Significant accounting policies, judgements and estimation uncertainty

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention.

Consolidation

The financial statements of the Corporation consolidate the accounts of IMV Inc. and its subsidiaries. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation. There are no non-controlling interests, therefore, all loss and comprehensive loss is attributable to the shareholders of the Corporation.

Foreign currency translation

i) Functional and presentation currency

Items included in the consolidated financial statements of the Corporation are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in United States dollars, which is the Corporation's functional currency.

(Expressed in thousands of United States dollars except for share and per share amounts)

4 Significant accounting policies, judgements and estimation uncertainty (continued)

ii) Transactions and balances

Foreign currency translation of monetary assets and liabilities, denominated in currencies other than the Corporation's functional currency, are converted at the rate of exchange in effect at the consolidated statements of financial position date. Revenue and expense items are translated at the rate of exchange in

effect at the transaction date. Translation gains or losses are included in determining income or loss for the year.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, and highly liquid temporary investments that are readily convertible to known amounts of cash.

Financial instruments

Financial assets and liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount is reported in the consolidated statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recognised at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of loan notes issued by the Corporation are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished.

Transaction costs that relate to the issue of the loan notes are allocated to the liability and compound instruments in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.

Classification and subsequent measurement

Financial instruments are classified into the following specified categories: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The classification depends

(Expressed in thousands of United States dollars except for share and per share amounts)

4 Significant accounting policies, judgements and estimation uncertainty (continued)

Financial Instruments (continued)

on the nature and purpose of the financial instrument and is determined at the time of initial recognition. Financial instruments do not include amounts due to or from government entities.

Derivatives embedded in contracts where the host is a financial liability are separated from the host debt contract and accounted for separately unless an election is made to account for the whole debt instrument at FVTPL or if they are not closely related to the host contract.

The Corporation has implemented the following classifications:

- Cash and cash equivalents and amounts receivable are classified as amortized cost. After their initial fair value measurement, they are measured at amortized cost using the effective interest method; and
- Accounts payable, accrued and other liabilities, amounts due to directors and long-term debt are classified as other amortized cost. After their initial fair value measurement, they are measured at amortized cost using the effective interest method.
- Warrant liabilities are classified as FVTPL and are remeasured each reporting period.

Impairment of financial assets

The Corporation applies the simplified method of the expected credit loss model required under IFRS 9, Financial Instruments. Under this method, the Corporation estimates a lifetime expected loss allowance for all receivables. Receivables are written off when there is no reasonable expectation of recovery.

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the consolidated statements of loss and comprehensive loss during the period in which they are incurred.

Depreciation of property and equipment is calculated using the declining-balance method, with the exception of leasehold improvements, right-of-use assets and leased premises, at the following annual rates:

Computer equipment	30%
Computer software	100%
Furniture and fixtures	20%
Laboratory equipment	20%
Leasehold improvements, leased premises, and right-of-use assets	straight-line

4 Significant accounting policies, judgements and estimation uncertainty (continued)

Property and Equipment (continued)

Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of general and administrative expenses in the consolidated statements of loss and comprehensive loss.

Property and equipment and intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or "CGU"s). The recoverable amount is the higher of an asset's fair value less the costs to sell, and value in use (being the present value of the expected future cash flows of the relevant asset or CGU).

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The Corporation evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

Leases

Under IFRS 16, Leases, the Corporation assesses whether a contract is or contains a lease based on the definition of a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Corporation assesses whether:

- the contract involves the use of an identified asset, specified either explicitly or implicitly, that is physically distinct, and usage represents substantially all of the capacity of the asset;
- the Corporation has the right to obtain substantially all of the economic benefits from use of the asset; and
- the Corporation has the right to direct use of the asset, which is evidenced by decision-making rights to direct how and for what purpose the asset is used.

The Corporation recognizes an asset and a lease liability at the lease commencement date. The asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received. The asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term. The estimated useful lives of leased assets are determined on the same basis as those of property and equipment. The carrying amount of the leased asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, if any.

(Expressed in thousands of United States dollars except for share and per share amounts)

4 Significant accounting policies, judgements and estimation uncertainty (continued)

Leases (continued)

The lease liability is initially measured at the present value of future lease payments, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Corporation's incremental borrowing rate. Generally, the Corporation uses its incremental borrowing rate as the discount rate. The lease liability is

subsequently measured at amortized cost using the effective interest method. It is remeasured if the Corporation changes its assessment of whether it will exercise a purchase, extension, or termination option. If the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the leased asset, or is recorded in the consolidated statements of loss and comprehensive loss if the carrying value of the leased asset is zero.

The Corporation has elected not to recognize assets and lease liabilities for short-term leases with a term of 12 months or less, and leases of low value assets.

The lease payments associated with these leases are recognized as an expense in the consolidated statements of loss and comprehensive loss over the lease term. Low value assets consist primarily of computers and information technology equipment.

Income tax

Income tax is comprised of current and deferred income tax. Income tax is recognized in the consolidated statements of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

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

In general, deferred income tax is recognized in respect of temporary differences including non-refundable investment tax credits, arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the consolidated statements of financial position date and are expected to apply when the deferred income tax asset or liability is settled. Deferred income tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Corporation and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are presented as non-current.

(Expressed in thousands of United States dollars except for share and per share amounts)

4 Significant accounting policies, judgements and estimation uncertainty (continued)

Research and development

All research costs are expensed in the period incurred. Development costs are expensed in the period incurred, unless they meet the criteria for capitalization, in which case, they are capitalized and then amortized over the useful life. Development costs are written off when there is no longer an expectation of future benefits.

Revenue recognition

Revenue is recognized as the Corporation satisfies its performance obligations under the terms of the contract. Performance obligations are considered to be satisfied when the customer obtains control of the related asset. Current and expected future revenue streams include: (i) milestone payments generated upon entering into potential contractual partnerships and achieving development and sales milestones; (ii) future royalties generated from the eventual commercialization of the Corporation's products; and (iii) amounts generated for providing formulation and research support services related to existing licensing and research agreements with partners.

Revenue resulting from formulation services is recognized in the accounting period in which the formulation is delivered to the customer. Typically, the customer does not have control of the asset while services are being performed and, therefore, revenues are recognized at the time the Corporation has completed its obligation and the customer obtains control of the asset.

Revenue resulting from research support services is recognized over time as the services are performed, as the customer benefits simultaneously from the service, and as the Corporation satisfies its performance obligation.

The Corporation expects to generate upfront payments, milestone and royalty revenues from future licenses for the Corporation's products. Upfront payments and milestones will be recognized as revenue when or as the underlying obligations are achieved and are not conditional on any further performance, which could be at a point in time or over time depending on the contractual terms. Royalty revenue will be recognized in the period in which the Corporation earns the royalty.

The Corporation does not generate licensing or royalty revenues at this time.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from share capital.

Loss per share

Basic loss per share ("LPS") is calculated by dividing the net loss for the year attributable to equity owners of the Corporation by the weighted average number of common shares outstanding during the year.

Diluted LPS is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is

(Expressed in thousands of United States dollars except for share and per share amounts)

4 Significant accounting policies, judgements and estimation uncertainty (continued)

Loss per share (continued)

computed using the treasury stock method. Diluted LPS is equal to the LPS as the Corporation is in a loss position and all securities, comprised of options and warrants, would be anti-dilutive.

Stock-based compensation plan

The Corporation grants stock options to certain employees and non-employees. Beginning January 1, 2018, stock options typically vest over three years (33 1/3% per year) and expire after five to ten years. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the
tranche's vesting period by increasing contributed surplus based on the number of awards expected to vest. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately.

A holder of an option may, rather than exercise such option, elect a cashless exercise of such option payable in common shares equaling the amount by which the value of an underlying share at that time exceeds the exercise price of such option or warrant to acquire such share.

Deferred share unit plan ("DSU" Plan)

The Corporation grants deferred share units ("DSUs") to members of its Board of Directors ("Board Members"), who are not employees or officers of the Corporation. DSUs cannot be redeemed until the holder is no longer a director of the Corporation and are considered equity-settled instruments. In accordance with the DSU Plan, DSUs for ongoing services are granted quarterly and vest immediately. The Board Members can also grant DSUs at its discretion, which may vest over time. The value attributable to DSUs is based on the market value at the time of grant and a compensation expense is recognized in general and administrative expenses on the consolidated statements of loss and comprehensive loss in accordance with the vesting terms. At the time of redemption, each DSU may be exchanged for one common share of IMV Inc., net of applicable withholding taxes.

Government assistance

Government assistance consists of non-repayable government grants, from a number of government agencies and the difference between the fair value and the book value of repayable low-interest government loans, recorded initially at fair value. Government assistance is recorded in the period earned using the cost reduction method and is included in government assistance on the consolidated statements of loss and comprehensive loss.

Research and development tax credits

Refundable investment tax credits relating to scientific research and experimental development expenditures ("SR&ED") are recorded in the accounts in the fiscal period in which the qualifying expenditures are incurred provided there is reasonable assurance that the tax credits will be realized. Refundable investment tax credits, in connection with SR&ED activities, are accounted for using the cost reduction method and included in government assistance on the statements of loss and comprehensive loss.

(Expressed in thousands of United States dollars except for share and per share amounts)

4 Significant accounting policies, judgements and estimation uncertainty (continued)

Research and development tax credits (continued)

Amounts recorded for refundable investment tax credits are calculated based on the expected eligibility and tax treatment of qualifying SR&ED expenditures recorded in the Corporation's consolidated financial statements.

Critical accounting estimates and judgments

The Corporation makes estimates and assumptions concerning the future that will, by definition, seldom equal actual results. The following are the estimates and judgments applied by management that most significantly affect the Corporation's consolidated financial statements.

The following estimates and judgments have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Calculation of initial fair value and carrying amount of long-term debt

Atlantic Canada Opportunities Agency ("AOCA") conditionally repayable loans ("Conditional ACOA") loans

The initial fair value of the Conditional ACOA loans is determined by using a discounted cash flow analysis for each of the loans, which require a number of assumptions. The difference between the face value and the initial fair value of the Conditional ACOA loans is recorded in the consolidated statements of loss and comprehensive loss as government assistance. The carrying amount of the Conditional ACOA loans requires management to adjust the long-term debt to reflect actual and revised estimated cash flows whenever revised cash flow estimates are made or new information related to market conditions is made available. Management recalculates the carrying amount by computing the present value of the estimated future cash flows at the original effective interest rate. Any adjustments are recognized in the consolidated statements of loss and comprehensive loss as accreted interest and other adjustments after initial recognition.

The significant assumptions used in determining the discounted cash flows include estimating the amount and timing of future revenue for the Corporation and the discount rate.

As the Conditional ACOA loans are repayable based on a percentage of gross revenue, if any, the determination of the amount and timing of future revenue significantly impacts the initial fair value of the loan, as well as the carrying value of the Conditional ACOA loans at each reporting date. The expected revenue streams include i) estimated royalties generated from the eventual commercialization of the Corporation's products, and ii) estimated milestone payments generated upon entering into potential contractual partnerships and achieving development and sales milestones. The amount and timing of estimated milestone payments forecasted are earlier and less predictable, therefore, changes in the amount and timing of milestone payments could have a significant impact on the fair value of the loans. Further, the Corporation is in the early stages of research for its product candidates; accordingly, determination of the amount and timing of any revenue streams requires significant judgment by management.

The discount rate determined on initial recognition of the Conditional ACOA loans is used to determine the present value of estimated future cash flows expected to be required to settle the debt. In determining the appropriate discount rates, the Corporation considered the interest rates of similar long-term debt arrangements

(Expressed in thousands of United States dollars except for share and per share amounts)

4 Significant accounting policies, judgements and estimation uncertainty (continued)

Critical accounting estimates and judgments (continued)

with similar terms. The Conditional ACOA loans are repayable based on a percentage of gross revenue, if any; accordingly, finding financing arrangements with similar terms is difficult and management was required to use significant judgment in determining the appropriate discount rates. Management used a discount rate of 35% to discount the Conditional ACOA loans.

If the weighted average discount rate used in determining the initial fair value and the carrying value at each reporting date of all Conditional ACOA loans, with repayment terms based on future revenue, had been determined to be higher by 10%, or lower by 10%, the carrying value of the long-term debt as at December 31, 2021 would have been an estimated $640 lower or $869 higher, respectively. A 10% increase or decrease in the total forecasted revenue would not have a significant impact on the amount recorded for the loans. If the total forecasted revenue were reduced to $nil, no amounts would be forecast to be repaid on the Conditional ACOA loans, and the Conditional ACOA loans payable at December 31, 2021 would be recorded at $nil, which would be a reduction in the liability of $3,148. If the timing of the receipt of forecasted future revenue was delayed by two years, the carrying value of the long-term debt at December 31, 2021 would have been an estimated $1,410 lower.

5 Government grants and assistance

The Corporation is evaluating all applicable government relief programs. Notably, in response to the negative economic impact of COVID-19, the Government of Canada, in collaboration with the National Research Council of Canada Industrial Research Assistance Program (“NRC IRAP”), announced the Innovation Assistance Program (“IAP”) program in April 2020. IAP provides a wage subsidy on eligible remuneration, subject to limits per employee, to eligible employers pursuing technology driven innovation who are not eligible for funding under the Canada Emergency Wage Subsidy. In 2020, the Corporation qualified for this subsidy from the April 1, 2020 effective date through to June 23, 2020, and has, accordingly, recognized $434 of IAP during the year ended December 31, 2020, in government assistance on the consolidated statements of loss and comprehensive loss.

In July 2020, the Corporation qualified for $1,871 in project funding from Next Generation Manufacturing Canada (“NGen”) to support the development of DPX-COVID-19. Under this program, NGen will reimburse up to 50% of eligible project expenses. The Corporation received advances of $1,532 from NGen in 2020 related to Government grants and assistance (continued) this funding and as at December 31, 2021, these advances have been fully recognized in government assistance on the consolidated statements of loss and comprehensive loss and the remaining assistance of $339 will be reimbursed as eligible expenditures are incurred.

In August 2020, the Corporation qualified for COVID-19 project funding from the Atlantic Canada Opportunities Agency (“ACOA”). ACOA’s contribution is an interest free government loan with a maximum contribution of $746 conditionally repayable based on a percentage of revenue only from resulting COVID-19 vaccine revenue. The loan was initially recorded at its fair value and subsequently measured at amortized cost in long-term debt on the consolidated statements of financial position. As at December 31, 2021, there is $nil in receivables related to this ACOA funding.

In May 2020, the Corporation qualified for $271 in NRC IRAP funding toward the development of its COVID-19 vaccine candidate, DPX-COVID-19. Under this program, NRC IRAP will reimburse up to 80% of eligible project

(Expressed in thousands of United States dollars except for share and per share amounts)

5 Government grants and assistance (continued)

salaries and 50% of eligible contractor costs. In July 2020, the Corporation qualified to receive an additional $194 in funding under the terms of this contribution agreement, resulting in a maximum contribution of $465. The Corporation fully recognized this funding in 2020.

In October 2020, the Corporation qualified for an additional $4,069 in project funding from NRC IRAP, to support the continuation of clinical development for IMV's DPX-COVID-19 vaccine candidate. Under this program, NRC IRAP will reimburse up to 100% of eligible project salaries and 75% of eligible contractor and materials costs. In March 2021, IMV qualified for an additional $396 in project funding under this program. As at December 31, 2021, the Corporation has recognized $2,023 (2020 – $1,123) of this NRC IRAP funding in government assistance on the consolidated statements of loss and comprehensive loss. As at December 31, 2021, there is $16 (2020 – $913) in receivables related to this funding.

6 Amounts Receivable

	December 31, 2021 $	December 31, 2020 $ (recast – note 2)	January 1, 2020 $ (recast – note 2)
Amounts due from government assistance and government loans	16	163	–
Sales tax receivable	576	376	311
Revenue from subcontracts	–	-	35
Other	10	1,035	303
	602	1,574	649

7 Accounts payable, accrued and other liabilities

	December 31, 2021 $	December 31, 2020 $ (recast – note 2)	January 1, 2020 $ (recast – note 2)
Trade payables	4,628	3,721	2,815
Accrued and other liabilities	3,893	3,446	1,903
Payroll taxes	17	16	12
Amounts due to Directors	69	45	46
	8,607	7,228	4,776

(Expressed in thousands of United States dollars except for share and per share amounts)

8 Leases

	Amount $
Balance – January 1, 2020 (recast – note 2)	1,005
Additions	116
Repayment of lease obligation	(188)
Accreted interest	108
Currency translation adjustment	21
Balance – December 31, 2020 (recast – note 2)	1,062
Additions and valuation adjustments	701
Repayment of lease obligation	(260)
Accreted interest	146
Currency translation adjustment	3
Balance – December 31, 2021	1,652
Less: Current portion	(265)
Non-current portion	1,387

The Corporation recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the liability, discounted at an incremental borrowing rate of 11%, adjusted for any payments made before the commencement date, plus any initial direct costs, less any lease incentives received. During the year ended December 31, 2021, the Corporation recognized $719 (2020 - $131) in right-of-use assets in property and equipment on the statements of financial position and recognized $16 in expenses related to low-value and short-term leases (2020 - $15) and $146 (2020 - $127) related to variable lease payments not included in measurement of lease liabilities on the consolidated statements of loss and comprehensive loss.

On July 26, 2021 the Corporation signed a lease for 3 years for corporate office space in Camrbridge, Massachusetts and recognised a right of use asset of $711 and an associated lease obligation of $693.

(Expressed in thousands of United States dollars except for share and per share amounts)

9 Property, plant and equipment

	Computer equipment and software $	Furniture and fixtures $	Laboratory equipment $	Right-of-use assets $	Leasehold improve-ments $	Total $
Year ended December 31, 2020						
Opening net book value (recast)	128	113	512	901	520	2,174
Additions	39	19	237	131	19	445
Disposals						
Cost	(10)	–	(141)	–	–	(151)
Accumulated depreciation	9	–	88	–	–	97
Depreciation for the year	(72)	(25)	(104)	(123)	(60)	(384)
Impact of foreign exchange rate changes	1	3	13	16	7	40
Closing net book value	95	110	605	925	486	2,221
As at December 31, 2020 (recast)						
Cost	379	182	1,314	1,219	642	3,736
Accumulated depreciation	(279)	(73)	(704)	(306)	(163)	(1,525)
Impact of foreign exchange rate changes	(5)	1	(5)	12	7	10
Net book value	95	110	605	925	486	2,221
Year ended December 31, 2021						
Opening net book value	95	110	605	925	486	2,221
Additions	112	9	1,115	719	166	2,121
Disposals						
Cost	–	–	(98)	–	–	(98)
Accumulated depreciation	–	–	69	–	–	69
Depreciation for the year	(48)	(24)	(145)	(217)	(107)	(541)
Impact of foreign exchange rate changes	(3)	–	(23)	(12)	(3)	(41)
Closing net book value	156	95	1,523	1,415	542	3,731
As at December 31, 2021						
Cost	496	195	2,342	1,951	819	5,803
Accumulated depreciation	(347)	(102)	(836)	(546)	(282)	(2,113)
Impact of foreign exchange rate changes	7	2	17	10	5	41
Net book value	156	95	1,523	1,415	542	3,731

(Expressed in thousands of United States dollars except for share and per share amounts)

10 Long-term debt

	December 31, 2021 $	December 31, 2020 $ (recast – note 2)	January 1, 2020 $ (recast – note 2)
ACOA Atlantic Innovation Fund ("AIF"), interest-free loan[1] with a maximum contribution of CAD$3,786. Annual repayments, commencing December 1, 2008, are calculated as a percentage of gross revenue for the preceding fiscal year, at 2% when gross revenues are less than CAD$5,000 and 5% when gross revenues are greater than CAD$5,000. As at December 31, 2021, the amount drawn down on the loan, net of repayments, is $2,927 (2020 - $2,929).	1,088	1,191	1,079
ACOA AIF, interest-free loan[1] with a maximum contribution of CAD$3,000. Annual repayments, commencing December 1, 2011, are calculated as a percentage of gross revenue for the preceding fiscal year, at 2% when gross revenues are less than CAD$5,000 and 5% when gross revenues are greater than CAD$5,000. As at December 31, 2021, the amount drawn down on the loan is $2,341 (2020 - $2,343).	911	954	950
ACOA Business Development Program, interest-free loan with a maximum contribution of CAD$395, repayable in monthly payments commencing October 2015 of CAD$3 until October 2017 and CAD$6 until June 2023. As at December 31, 2021, the amount drawn down on the loan, net of repayments, is $78 (2019 - $131).	76	125	139
ACOA AIF, interest-free loan[1] with a maximum contribution of CAD$2,944, annual repayments commencing September 1, 2014, are calculated as a percentage of gross revenue from specific product(s) for the preceding fiscal year, at 5% for the first 5 years and 10%, thereafter. As at December 31, 2021, the amount drawn down on the loan is $2,303 (2020 - $2,303).	937	858	1,138
TNC 120-140 Eileen Stubbs Ltd. (the Landlord) loan, with an original balance of CAD$300, bearing interest at 8% per annum, is repayable in monthly payments of $4 beginning February 1, 2019 until May 1, 2028. As at December 31, 2021, the balance on the loan is $179 (2020 - $199).	179	199	214

(Expressed in thousands of United States dollars except for share and per share amounts)

10 Long-term debt (continued)

Province of Nova Scotia (the "Province"), secured loan with a maximum contribution of CAD$5,000, bearing interest at a rate equal to the Province's cost of funds plus 1%, compounded semi-annually and payable monthly. The loan is repayable in monthly payments beginning July 1, 2023 of CAD$83 plus interest until December 2027. The Corporation and its subsidiary have provided a general security agreement granting a first security interest in favour of the Province of Nova Scotia in and to all the assets of the Corporation and its subsidiary, including the intellectual property. As at December 31, 2021, this loan has been fully repaid.	–	3,261	2,980
ACOA Regional Economic Growth through Innovation[1] – Business Scale-Up and Productivity Program, interest-free loan with a maximum contribution of CAD$1,000. Annual repayments, commencing September 1, 2022, are calculated as a percentage of gross revenue from DPX-COVID-19 product(s) for the preceding fiscal year, at 5% when gross revenues are less than CAD$5,000 and 10% when gross revenues are greater than CAD$5,000. Subsequent to September 1, 2024, any outstanding balance is payable in full on December 31, 2024 from DPX-COVID-19 gross revenues. As at December 31, 2021, the amount drawn down on the loan is $704 (2020 - $704).	192	318	–
Venture loan with Horizon Technology Finance Corporation and Powerscourt investments XXV, LP ("Venture Loan") bearing interest at The Wall Street Journal prime rate plus 5.75%, compounded annually and payable monthly, maturity on July 1, 2025, with effective interest rate of 13.06%	14,619	–	–
	18,002	6,906	6,500
Less: current portion	73	856	68
	17,929	6,050	6,432

[1]These loans are repayable based on a percentage of gross revenue, if any. The carrying amount of these loans is reviewed each reporting period and adjusted as required to reflect management's best estimate of future cash flows, based on a number of assumptions, discounted at the original effective interest rate.

Total contributions received, less amounts that have been repaid as at December 31, 2021, is $23,151 (2020 - $12,520). The Corporation is in compliance with its debt covenants. Certain ACOA loans require approval by ACOA before the Corporation can pay management fees, bonuses, dividends or other distributions, or before there is any change of ownership of the Corporation.

Venture Loan with Horizon Technology Finance Corporation and Powerscourt Investments XXV, LP

On December 17, 2021, the Corporation was issued a $15,000 Venture Loan at a variable annual rate of published

(Expressed in thousands of United States dollars except for share and per share amounts)

10 Long-term debt (continued)

in The Wall Street Journal prime rate plus 5.75%, with an interest rate floor at 3.25% on the prime rate (effective interest rate of 13.06%). Interest is compounded annually and payable monthly on the first day of the month commencing January 1st, 2022. The Venture Loan maturity date is set 42 months from the first day of the month next following the month in which the loan was issued. In addition, a final payment of $750 is required by the contract. Concurrently to the Venture Loan issuance, six warrants were issued to the lender at an initial fair value of $318. Combined, these warrants allows the holder to purchase 454,544 shares at an exercise price of $1.32. Following achievement of a pre-determined milestone, the Corporation can borrow an additional $10,000 and issue two additional warrants to purchase 113,636 shares to the lender, this represents a loan commitment. Transactions associated with the venture loan were $377 of which, $224 has been allocated to the debt component, $4 to the warrants and $149 to the loan commitment.

Monthly pro rata principal repayments start after 24 months from loan inception. If a predetermined milestone is reached, the start date for the repayment of principal is deferred for 6 months, with no extension of maturity.

The Corporation may, at its option, at any time, prepay all the outstanding Venture Loan by simultaneously paying to the lenders an amount equal to any accrued and unpaid interest, the outstanding principal balance and the final payments of the Venture Loan plus an amount equal to:

a) 3% in the 18 first months of the loan;
b) 2% in the months 19 to 30 of the loan;
c) 1% in the last 12 months of the loan (31 to 42).

The prepayment option is an embedded derivative, but has insignificant value on issuance date.

The Venture Loan has a priority security interest in all assets of IMV, excluding intellectual property. IMV has entered into a negative pledge agreement regarding intellectual property with the lenders.

Province of Nova Scotia Loan

In September 2021, the Corporation amended its loan agreement with the Province. Prior to the amendment, the maturity date of the loan was December 1, 2025. Following the amendment, The Corporation was not required to resume repaying the balance of the principal amount until the first day of July 2023, by making the remaining 54 monthly principal payments of CAD$83 plus interest from July 2023 to December 2027. The annual interest rate remained at the Province’s cost of funds plus 1%. In accounting for this change, the Corporation determined, based on industry risk, its own credit risk and the interest rate environment, that the effective interest rate of the loan of 11% remained appropriate. The difference between the carrying value of the loan before the amendment and after the amendment of $420 was recorded in the statement of loss and comprehensive loss as government assistance. As at December 31, 2021, this loan has been fully repaid in connection with the Venture Loan agreement.

(Expressed in thousands of United States dollars except for share and per share amounts)

10 Long-term debt (continued)

The minimum annual principal repayments of long-term debt over the next five years, excluding the repayments of the Conditional ACOA loans for 2021 and beyond which are not determinable at this time, are as follows:

	$
Year ending December 31, 2022	74
2023	51
2024	9,193
2025	5,862
2026	31

	December 31, 2021 $	December 31, 2020 $ (recast – note 2)
Balance – Beginning of period	6,906	6,500
Borrowings	14,520	782
Accreted interest and valuation adjustments	907	27
Revaluation of long-term debt	(367)	(491)
Repayment of debt	(4,069)	(31)
Currency translation adjustment (note 2)	105	119
Balance – End of period	18,002	6,906
Less: Current portion	73	856
Non-current portion	17,929	6,050

11 Warrant liabilites

In conjunction with the Venture Loan with Horizon Technology Finance Corporation and Powerscourt Investments XXV, six warrants have been issued to the lenders. Combined, these warrants allow the holder to purchase 454,544 common shares at an exercise price of $1.32. The warrants can be exercised at any moment from grant date to the 10 year anniversary and will be automatically exercised on expiration date. The holder can choose to exercise the warrant with a payment to the Corporation or exercise on a net issuance basis (cashless). This last feature breaches the fixed-for-fixed criterion, therefore the warrants are classified as financial liability and will be remeasured at FVTPL at each reporting period.

The fair values of warrants are estimated using the Black-Scholes option pricing model. The weighted average assumptions used in the Black-Scholes valuation model for the periods presented were as follows:

	December 31, 2021	December 17, 2021
Risk-free interest rate	0.94%	0.94%
Market price	$1.28	$1.28
Expected volatility	94.44%	94.44%
Expected dividend yield	–	–
Expected life (years)	2.5	2.5

(Expressed in thousands of United States dollars except for share and per share amounts)

12 Share capital

Authorized

Unlimited number of common shares and preferred shares, issuable in series, all without par value.

	Common shares #	Amount $
Issued and outstanding		
Balance – January 1, 2020 (recast – note 2)	50,630,875	90,294
Issued for cash, net of issuance costs	15,611,778	43,515
Stock options exercised	162,086	482
DSUs redeemed	76,920	128
Warrants exercised	611,888	2,286
Balance – December 31, 2020 (recast – note 2)	67,093,547	136,705
Issued for cash, net of issuance costs	14,842,408	18,983
DSUs redeemed	145,870	331
Stock options exercised	83,504	217
Balance – December 31, 2021	82,165,329	156,236

As at December 31, 2021, a total of 16,837,873 shares (December 31, 2020 – 4,523,379) are reserved to meet outstanding stock options, warrants and deferred share units ("DSUs").

On July 20, 2021, the Corporation completed the July 2021 Public Offering, issuing an aggregate of 14,285,714 units at a price of $1.75 per unit, for aggregated proceeds of $25 million. Each unit consisted of one common share and 0.75 of one common share purchase warrant, with each whole warrant entitling the holder to acquire one common share of the Corporation at an exercise price of $2.10 for a period of 60 months expiring on July 20, 2026. The value allocated to the common shares issued was $18,557 and the value allocated to the warrants was $6,443. Total costs associated with the offering were $2,168, including cash costs for professional and regulatory fees.

On October 16, 2020, the Corporation entered into an Equity Distribution Agreement ("October 2020 ATM") with Piper Sandler & Co. ("Piper Sandler") authorizing the Corporation to offer and sell common shares from time-to-time up to an aggregate offering amount of $50,000 through Piper Sandler, as agent. The total expenses associated with the ATM Distribution, excluding compensation and reimbursements payable to Piper Sandler under the terms of the Equity Distribution Agreement, were approximately $295. During the period ended December 31, 2021, 556,694 common shares were sold for gross proceeds of $2,335.

On May 7, 2020, the Corporation completed a private placement of 8,770,005 units at a price of CAD$2.86 per unit, for aggregated proceeds of $17,795. Each unit consisted of one common share and 0.35 of one common share purchase warrant, with each whole warrant entitling the holder to acquire one common share of the Corporation at an exercise price of CAD$3.72 for a period of 24 months expiring on May 7, 2022. The value allocated to the common shares issued was $15,117 and the value allocated to the warrants was $2,678. Total costs associated with the offering were $108, including cash costs for professional and regulatory fees.

On March 17, 2020, the Corporation entered into an Equity Distribution Agreement ("March 2020 ATM") with Piper Sandler authorizing the Corporation to offer and sell common shares from time-to-time up to an aggregate offering amount of $30,000 through Piper Sandler, as agent. The March 2020 ATM was terminated on

(Expressed in thousands of United States dollars except for share and per share amounts)

12 Share capital (continued)

June 30, 2020 and 2,070,883 common shares were sold under this agreement for total gross proceeds of $5,500. To maintain the remainder of IMV's March 2020 ATM facility under its new Canadian base shelf prospectus, IMV entered a second ATM Distribution dated June 30, 2020 ("June 2020 ATM"), with Piper Sandler, to offer and sell common shares from time-to-time up to an aggregate offering amount of $24,500 through Piper Sandler, as agent. An additional 4,770,890 common shares were sold for gross proceeds of $24,500, concluding the proceeds raised under the June 2020 ATM to the maximum offering amount. In 2020, a total of 6,841,773 shares were sold under the two ATM Distribution agreements for total gross proceeds of $30,000. The total expenses associated with both ATM Distributions including commissions, were approximately $1,462.

13 Contributed surplus

	Amount $
Contributed surplus	
Balance – January 1, 2020 (recast – note 2)	6,676
Share-based compensation	
Stock options vested	753
DSUs vested	401
Stock options exercised	(297)
DSUs redeemed	(132)
Warrants expired	251
Balance – December 31, 2020 (recast – note 2)	7,652
Share-based compensation	
Stock options vested	1,738
DSUs vested	583
Stock options exercised	(171)
DSUs Redeemed	(432)
Balance – December 31, 2021	9,370

Deferred share units

The maximum number of common shares which the Corporation is entitled to issue from Treasury in connection with the redemption of DSUs granted under the DSU Plan is 968,750 common shares. The compensation expense as at December 31, 2021 was $583 (2020 – $401) recognized over the vesting period. Vested DSUs cannot be redeemed until the holder is no longer a member of the Board. DSU activity for the years ended are as followed:

	December 31 2021 #	December 31 2020 #
Opening balance	429,530	360,965
Granted	325,263	147,671
Redeemed	(217,590)	(79,106)
Closing balance	537,203	429,530

(Expressed in thousands of United States dollars except for share and per share amounts)

13 Contributed surplus (continued)

Stock options

At the 2021 annual and special meeting of shareholders, the Corporation's shareholders approved the adoption of the amended Stock Option Plan which converts it from a "fixed plan" to a "rolling plan", whereby the maximum number of shares which may be reserved and set aside for issuance under such plan would be changed from a fixed maximum of 4,600,000 shares (in the aggregate) to a maximum aggregate number of shares equal to 8% of common shares issued and outstanding from time to time, on a non-diluted basis. The Corporation's Board of Directors amended the Stock Option Plan on May 11, 2021 and the Corporation's shareholders approved, ratified and confirmed the Stock Option Plan on June 18, 2021.

Stock options are granted with an exercise price determined by the Board of Directors, which is not less than the market price of the shares on the day preceding the award. The term of the option is determined by the Board of Directors, not to exceed ten years from the date of grant.

The vesting of the options is determined by the Board and, beginning January 1, 2018, is typically 33 $^{1/3}$% every year after the date of grant.

In the event that the option holder should die while he or she is still a director, employee or other advisor of the Corporation, the expiry date shall be 12 months from the date of death of the option holder, not to exceed the original expiry date of the option. In the event that the option holder ceases to be a director, employee or other advisor of the Corporation other than by reason of death or termination, the expiry date of the option shall be the 90th day following the date the option holder ceases to be a director, employee or other advisor of the Corporation, not to exceed the original expiry date of the option.

The fair values of stock options are estimated using the Black-Scholes option pricing model. As at December 31, 2021, 1,430,635 stock options (2020 – 395,850) with a weighted average exercise price of CAD$3.30 (2020 - CAD$5.50) and a term of ten years (2020 – five years), were granted to employees and consultants. The expected volatility of these stock options was determined using historical volatility rates and the expected life was determined using the weighted average life of past options issued. The value of these stock options has been estimated at $2,683 (2020 - $871), which is a weighted average grant date value per option of CAD$2.35 (2020 - CAD$2.95), using the Black-Scholes valuation model and the following weighted average assumptions:

	2021	2020
Risk-free interest rate	0.82%	1.00%
Exercise price	CAD$3.30	CAD$5.50
Market price	CAD$3.30	CAD$5.50
Expected volatility	79%	71%
Expected dividend yield	–	–
Expected life (years)	7.0	4.2
Forfeiture rate	4%	4%

(Expressed in thousands of United States dollars except for share and per share amounts)

13 Contributed surplus (continued)

Option activity for the period ended December 31, 2021 and year December 31, 2020 was as follows:

	December 31, 2021		December 31, 2020	
	Number #	Weighted average exercise price $CAD	Number #	Weighted average exercise price $CAD
Outstanding - Beginning of period	1,636,236	4.93	1,573,411	4.63
Granted	1,430,635	3.30	395,850	5.50
Exercised	(150,438)[1]	2.37	(203,595)[1]	2.42
Forfeited	(109,218)	4.46	(47,638)	6.69
Cancelled	(124,238)	3.84	(81,792)	6.92
Expired	(8,750)	2.37	–	–
Outstanding - End of period	2,674,227	4.28	1,636,236	4.93

[1] Of the 150,438 (2020 – 203,595) options exercised, 125,812 (2020 – 109,845) elected the cashless exercise, under which 58,787 shares (2020 – 68,336) were issued. These options would have otherwise been exercisable for proceeds of $235 (2020 - $180) on the exercise date.

The number and weighted average exercise price of options exercisable as at December 31, 2021 is 1,301,048 and $5.14, respectively (2020 – 938,587 and $4.13).

At December 31, 2021, the following options were outstanding:

	Options outstanding			Options exercisable		
Exercise price range $CAD	Number #	Weighted average exercise price $CAD	Weighted average remaining contractual life (years)	Number #	Weighted average exercise price $CAD	Weighted average remaining contractual life (years)
1.98 – 2.21	430,000	2.09	7.05	125,000	1.98	0.59
2.22 – 2.65	519,722	2.31	5.86	207,812	2.40	0.23
2.66 – 4.68	761,475	4.10	6.80	191,666	4.32	0.84
4.69 – 6.19	324,650	5.68	2.60	170,700	5.79	1.87
6.20 – 7.39	638,380	6.84	1.07	605,870	6.81	1.02
	2,674,227	4.28	4.78	1,301,048	5.14	0.94

(Expressed in thousands of United States dollars except for share and per share amounts)

14 Warrants

Warrant activity for the period ended December 31, 2021 and year ended December 31, 2020, was as follows:

	December 31, 2021			December 31, 2020 (Recast – note 2)		
	Number #	**Weighted average exercise price $CAD**	**Amount $**	**Number #**	**Weighted average exercise price $CAD**	**Amount $**
Opening balance	2,457,613	3.72	2,116	134,766	6.53	254
Granted	10,714,286	2.67	6,079	3,069,501	3.72	2,678
Exercised	–	–	–	(611,888)	3.72	(569)
Expired	–	–	–	(134,766)	6.53	(251)
Closing balance	13,171,899	2.87	8,195	2,457,613	3.72	2,112

The fair values of warrants are estimated using the Black-Scholes option pricing model. The weighted average assumptions used in the Black-Scholes valuation model for the periods presented were as follows:

	2021	**2020**
Risk-free interest rate	0.51%	0.27%
Market price	$2.67CAD	$3.72CAD
Expected volatility	92%	83%
Expected dividend yield	–	–
Expected life (years)	2.5	2

15 Deferred income taxes

a) Reconciliation of total tax recovery

The effective rate on the Corporation's loss before income tax differs from the expected amount that would arise using the statutory income tax rates. A reconciliation of the difference is as follows:

	2021 $	**2020 $** (Recast – note 2)
Loss before income taxes (recast – note 2)	(36,589)	(26,059)
Income tax rate	28.50%	28.50%
	(10,428)	(7,427)
Effect on income taxes of:		
Non-deductible share-based compensation	650	343
Unrecognized temporary differences	9,749	7,055
Other non-deductible items	29	29
Income tax recovery	–	–

(Expressed in thousands of United States dollars except for share and per share amounts)

15 Deferred income taxes (continued)

Deferred income tax

The significant components of the Corporation's deferred income tax are as follows:

	2021 $	2020 $ (Recast – note 2)
Deferred income tax liabilities:		
Intangibles	–	–
Deferred income tax assets:		
Non-capital losses	–	–
Net deferred income tax liability	–	–

The following reflects the balance of temporary differences for which no deferred income tax asset (liability) has been recognized:

	2021 $	2020 $ (Recast – note 2)
Non-capital losses	108,935	82,124
SR&ED expenditures	39,072	29,460
Non-refundable investment tax credits	5,189	5,053
Deductible share issuance costs	4,829	3,151
Long-term debt	18,248	6,707
Lease obligation	395	272
Property and equipment	78	(178)

b) Non-capital losses

As at December 31, 2021, the Corporation had approximately $109,107 in losses available to reduce future taxable income. The benefit of these losses has not been recorded in the accounts as realization is not considered probable. These losses may be claimed no later than:

	$
For the year ending December 31, 2025	782
2026	861
2027	1,150
2028	1,385
2029	516
2030	2,066
2031	3,982
2032	3,216
2033	3,443
2034	2,879
2035	4,389
2036	4,014
2037	7,441

(Expressed in thousands of United States dollars except for share and per share amounts)

15 Deferred income taxes (continued)

a) Non-capital losses (continued)

2038	10,516
2039	13,716
2040	19,075
2041	29,505
	108,935

b) Scientific research and experimental development expenditures

The Corporation has approximately $39,075 of unclaimed SR&ED expenditures, which may be carried forward indefinitely and used to reduce taxable income in future years. The potential income tax benefits associated with the unclaimed SR&ED expenditures have not been recognized in the accounts as realization is not considered probable.

c) Non -refundable investment tax credits

The Corporation also has approximately $5,189 in non-refundable federal investment tax credits which may be carried forward to reduce taxes payable. These tax credits will be fully expired by 2040. The benefit of these tax credits has not been recorded in the accounts as realization is not considered probable.

16 Capital Management

The Corporation views capital as the sum of its cash and cash equivalents, long-term debt and equity. The Corporations' objectives when managing capital is to safeguard its ability to continue as a going concern in order to provide an adequate return to shareholders and maintain a sufficient level of funds to finance its research and development activities, general and administrative expenses, working capital and overall capital expenditures, including those associated with patents and trademarks. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares, issue new debt, acquire or dispose of assets, all of which are subject to market conditions and the terms of the underlying third party agreements. The Corporation is not subject to any regulatory capital requirements imposed.

	2020 **$**	**2020** **$** (Recast – note 2)
Total long-term debt	18,002	6,906
Less: Cash and cash equivalents	(38,616)	(36,268)
Net debt	(20,614)	(29,362)
Equity	21,542	30,802
Total capital	928	1,440

The Corporation is in compliance with its debt covenants.

(Expressed in thousands of United States dollars except for share and per share amounts)

17 Financial instruments

Fair value of financial instruments

Financial instruments are defined as a contractual right or obligation to receive or deliver cash on another financial asset. The following table sets out the approximate fair values of financial instruments as at the consolidated statements of financial position date with relevant comparatives:

	December 31, 2021		December 31, 2020 (recast – note 2)		January 1, 2020 (recast – note 2)	
	Carrying value $	Fair value $	Carrying value $	Fair value $	Carrying value $	Fair value $
Cash and cash equivalents	38,616	38,616	36,268	36,268	10,805	10,805
Amounts receivable	10	10	163	163	337	337
Accounts payable, accrued and other liabilities	8,589	8,589	6,832	6,832	4,764	4,764
Warrant liabilities	318	318	–	–	–	–
Long-term debt	18,002	18,002	6,906	6,906	6,500	6,500

Assets and liabilities, such as commodity taxes, that are not contractual and that arise as a result of statutory requirements imposed by governments, do not meet the definition of financial assets or financial liabilities and are, therefore, excluded from amounts receivable and accounts payable.

Fair value of items, which are short-term in nature, have been deemed to approximate their carrying value. The above noted fair values, presented for information only, reflect conditions that existed only as at December 31, 2021, and do not necessarily reflect future value or amounts which the Corporation might receive if it were to sell some or all of its assets to a willing buyer in a free and open market.

The fair value of long-term debt is estimated based on the expected interest rates for similar borrowings by the Corporation at the consolidated statements of financial position dates. For the period presented, the fair value is estimated to be equal to the carrying amount.

Risk Management

The Corporation, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: interest rate risk, credit risk, liquidity risk and currency risk. Management is responsible for setting acceptable levels of risk and reviewing risk management activities as necessary.

a) Interest rate risk

The corporation is exposed to interest rate fluctuations on the Venture loan with Horizon technology finance corporation and Powercourt investments XXV, LP for which amounts are subject to The Wall Street Journal prime rate plus 5.75%, with an interest rate floor at 3.25% for the prime rate. The Corporation did not expect

(Expressed in thousands of United States dollars except for share and per share amounts)

17 Financial instruments (continued)

Risk Management (continued)

significant increase in The Wall Street Journal prime rate and has decided to not actively manage the risk. Based on currently outstanding loans an increase (decrease) of 100 basis points in interest prime rate at the

reporting date would have resulted in a non-significant impact in earnings or loss. This analysis assumes that all other variables remain constant. Other than the interest rate fluctuations on the Venture loan described above, the Corporation has limited exposure to interest rate risk on its lending and borrowing activities. The Corporation has an interest-free loan that is repayable over 84 months, resulting in required principal debt payments in fiscal 2022 of $53, and also has a loan with a fixed interest rate of 8% per annum resulting in interest payments in 2022 of $14. The remaining outstanding debt as at December 31, 2021 is interest-free, only becoming repayable when revenues are earned.

b) Credit risk

Credit risk arises from cash and cash equivalents and amounts receivable. The Corporation invests excess cash in high-interest savings accounts or in highly liquid temporary investments of Schedule 1 Canadian Banks. The credit risk of cash and cash equivalents is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The total of amounts receivable disclosed in the consolidated statements of financial position as at December 31, 2021 of $602 (2020 - $1,574) is comprised mainly of current period advances due to the Corporation for government assistance programs and sales taxes recoverable. If required, the balance is shown net of allowances for bad debt, estimated by management based on prior experience and their assessment of the current economic environment.

Historically, there have been no collection issues and the Corporation does not believe it is subject to any significant concentration of credit risk.

c) Liquidity risk

Liquidity risk represents the possibility that the Corporation may not be able to gather sufficient cash resources when required and under reasonable conditions to meet its financial obligations.

Since the Corporation's inception, operations have been financed through the sale of shares, issuance of debt, revenue and cost-recoveries from license agreements, interest income on funds available for investment, government assistance and income tax credits. The Corporation has incurred significant operating losses and negative cash flows from operations since inception and has an accumulated deficit of $154,920 as at December 31, 2021.

While the Corporation has $38,616 in cash and cash equivalents at December 31, 2021, it continues to have an ongoing need for substantial capital resources to research and develop, commercialize and manufacture its products and technologies. The Corporation is currently not yet receiving a significant ongoing revenue stream from its license agreements, nor can it be certain that it will receive significant revenue from these agreements before additional cash is required. As a result, there can be no assurance that the Corporation will have sufficient capital to fund its ongoing operations, and develop or commercialize any of its products without future financing.

(Expressed in thousands of United States dollars except for share and per share amounts)

17 Financial instruments (continued)

Risk Management (continued)

The following table outlines the contractual maturities of the Corporation's liabilities, including most likely timing of repayments of long-term debt that is repayable based on a percentage of revenues.

The long-term debt is comprised of the contributions received described in note 9, less amounts that have been repaid as at December 31, 2021:

	Total $	Year 1 $	Years 2 to 3 $	Years 4 to 5 $	After 5 years $
Accounts payable and other liabilities	8,607	8,607	–	–	–
Short-term and low value leases	47	15	20	12	–
Lease obligation	2,175	434	900	587	254
Long-term debt	27,460	1,397	11,656	6,081	8,326
	38,289	10,453	12,576	6,680	8,580

The above amounts include interest payments, where applicable.

d) Currency risk

The Corporation incurs some revenue and expenses and holds on some cash denomintaed in Canadian dollars and, as such, is subject to fluctuations as a result of foreign exchange rate variation. The Corporation does not have in place any formal tools to manage its foreign exchange risk.

Foreign exchange gain of $109 for the year ended December 31, 2021 (2020, foreign exchange loss - $939) is included in general and administrative expenses. If the foreign exchange had been 1% higher/lower, with all other variables held constant, it would have had an immaterial impact on the foreign exchange gain/loss.

18 Commitments

On July 12, 2010, the Corporation entered into a License Agreement with Merck KGaA to in-license EMD 640744, an investigational therapeutic survivin-based cancer antigen designed to target multiple solid tumors and hematological malignancies. Should the Corporation's research using these antigens continue and prove successful through clinical trials and on to commercialization, the Corporation would be required to pay certain future milestones and royalty payments along the way. The likelihood and timing of these payments is not known at this time.

(Expressed in thousands of United States dollars except for share and per share amounts)

19 Expense by nature

	2021 $	2020 $ (recast – note 2)
Salaries, wages and benefits	10,549	6,991
Research and development expenditures, including clinical costs	16,105	14,914
Professional and consulting fees	2,499	1,856
Travel	216	49
Office, rent and telecommunications	906	567
Insurance	3,952	2,649
Marketing, communications and investor relations	1,368	1,178
Depreciation	551	384
Stock-based compensation (non-cash)	1,742	750
DSU compensation (non-cash)	584	401
Other	738	514
Foreign exchange loss (gain)	(110)	996
Accreted interest and valuation adjustments (non-cash)	907	27
Research and development tax credits	(1,599)	(1,268)
Government assistance	(1,631)	(3,724)
	36,777	26,284

20 Compensation of key management

Key management includes the Corporation's Directors, Chief Executive Officer, Chief Financial Officer, Chief Scientific Officer and former Chief Medical Officer. Compensation awarded to key management is summarized as follows:

	2021 $	2020 $ (recast – note 2)
Salaries and other benefits	3,079	1,720
Stock-based compensation (non-cash)	1,680	961
	4,759	2,681

Exhibit B

Consolidated Financial Statements
December 31, 2022

March 15, 2023

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of IMV Inc. (the "Corporation") are the responsibility of management and have been approved by the Board of Directors. The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The consolidated financial statements include some amounts and assumptions based on management's best estimates which have been derived with careful judgment.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to ensure that the financial records are reliable for preparation of the consolidated financial statements. The Audit Committee of the Board of Directors reviewed and approved the Corporation's consolidated financial statements and recommended their approval by the Board of Directors.

(signed) "*Andrew Hall*"
Chief Executive Officer

(signed) *"Brittany Davison"*
Chief Accounting Officer

Approved on behalf of the Board of Directors

(signed) *"Michael Bailey"*, Director

(signed) *"Kyle Kuvalanka"*, Director

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of IMV Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of IMV Inc. and its subsidiaries (together, the Company) as of December 31, 2022 and 2021, and the related consolidated statements of equity (deficiency), of loss and comprehensive loss and of cash flows for the years ended December 31, 2022, 2021 and 2020, including the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years ended December 31, 2022, 2021 and 2020 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

Substantial Doubt About the Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered recurring losses from operations and has cash outflows from operating activities that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

PricewaterhouseCoopers LLP
Place de la Cité, Tour Cominar, 2640 Laurier Boulevard, Suite 1700, Québec, Quebec, Canada G1V 5C2
T: +1 418 522 7001, F: +1 418 522 5663

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Québec, Canada
March 15, 2023

We have served as the Company's auditor since 2003.

PricewaterhouseCoopers LLP
Place de la Cité, Tour Cominar, 2640 Laurier Boulevard, Suite 1700, Québec, Quebec, Canada G1V 5C2
T: +1 418 522 7001, F: +1 418 522 5663

IMV Inc.

Consolidated Statements of Financial Position

(Expressed in thousands of United States dollars except for share and per share amounts)

	December 31, 2022 $	December 31, 2021 $
Assets		
Current assets		
Cash and cash equivalents	21,223	38,616
Amounts receivable (note 5)	727	602
Prepaid expenses	4,440	6,037
Investment tax credits receivable	1,198	1,135
	27,588	46,390
Property and equipment (note 8)	3,760	3,731
	31,348	50,121
Liabilities		
Current liabilities		
Accounts payable, accrued and other liabilities (note 6)	9,037	8,607
Current portion of long-term debt (note 9)	47	73
Current portion of lease obligation (note 7)	320	265
Warrant liabilities (note 10)	16	318
	9,420	9,263
Lease obligation (note 7)	1,119	1,387
Long-term debt (note 9)	27,411	17,929
	37,950	28,579
Equity (Deficiency)	(6,602)	21,542
	31,348	50,121

Going concern (note 1)

Subsequent event (note 22)

The accompanying notes form an integral part of these audited annual consolidated financial statements.

IMV Inc.

Consolidated Statements of Equity (Deficiency)

(Expressed in thousands of United States dollars except for share and per share amounts)

	Share capital **$** (note 11)	**Contributed surplus** **$** (note 12)	**Warrants** **$** (note 13)	**Deficit** **$**	**Accumulated other comprehensive income** **$**	**Total** **$**
Balance, December 31, 2019 (recast – note 2)	90,294	6,676	254	(92,272)	–	4,952
Net loss for the period	–	–	–	(26,059)	–	(26,059)
Other comprehensive income	–	–	–	–	2,660	2,660
Total comprehensive loss for the period	–	–	–	(26,059)	2,660	(23,399)
Issuance of shares in public equity offering	30,000	–	–	–	–	30,000
Share issuance costs in a public equity offering	(1,494)	–	–	–	–	(1,494)
Issuance of shares and warrants in private placement	15,117	–	2,678	–	–	17,795
Share and warrant issuance costs in private placement	(108)	–	–	–	–	(108)
Warrants exercised	2,286		(565)			1,721
Warrants expired	–	251	(251)	–	–	–
Deferred Share Units:						
Value of services recognized	–	401	–	–	–	401
Redemption, net of taxes	128	(132)	–	–	–	(4)
Employee share options:						
Value of services recognized	–	753	–	–	–	753
Exercise of options	482	(297)	–	–	–	185
Balance, December 31, 2020 (recast – note 2)	136,705	7,652	2,116	(118,331)	2,660	30,802
Net loss and comprehensive loss for the period	–	–	–	(36,589)	–	(36,589)
Issuance of shares and warrants in public equity offerings	20,692	–	6,643	–	–	27,335
Share and warrant issuance costs in public equity offerings	(1,709)	–	(563)	–	–	(2,272)
Deferred Share Units:			–	–	–	
Value of services recognized	–	583	–	–	–	583
Redemption, net of taxes	331	(432)				(101)
Employee share options:						
Value of services recognized	–	1,738	–	–	–	1,738
Exercise of options	217	(171)	–	–	–	46
Balance, December 31, 2021	156,236	9,370	8,196	(154,920)	2,660	21,542

IMV Inc.

Consolidated Statements of Equity (Deficiency) (continued)

(Expressed in thousands of United States dollars except for share and per share amounts)

	Share capital $ (note 11)	Contributed surplus $ (note 12)	Warrants $ (note 13)	Deficit $	Accumulated other comprehensive income $	Total $
Balance, December 31, 2021	156,236	9,370	8,196	(154,920)	2,660	21,542
Net loss and comprehensive loss for the period	–	–	–	(37,991)	–	(37,991)
Issuance of shares in public equity offerings	1,605	4,143	3,394	–	–	9,142
Share issuance costs in public equity offerings	(306)	(618)	(507)	–	–	(1,431)
Exercise of pre-funded warrants, net of issuance costs	562	(562)	–	–	–	–
Warrants expired	–	2,350	(2,350)	–	–	–
Issuance of broker warrants in a public equity offering	(55)	(157)	212	–	–	–
Deferred Share Units:						
Redemption, net of taxes	64	(116)	–	–	–	(52)
Value of services recognized	–	608	–	–	–	608
Employee share options:						
Value of services recognized	–	1,580	–	–	–	1,580
Balance, December 31, 2022	158,106	16,598	8,945	(192,911)	2,660	(6,602)

The accompanying notes form an integral part of these audited annual consolidated financial statements.

IMV Inc.

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in thousands of United States dollars except for share and per share amounts)

	December 31, 2022 $	December 31, 2021 $	December 31, 2020 $ (Recast - note 2)
Income			
Interest income	329	188	225
Expenses			
Research and development	23,281	23,080	19,904
General and administrative	16,986	16,020	11,344
Government assistance	(1,775)	(3,230)	(4,991)
Accreted interest and valuation adjustments (note 9)	(172)	907	27
	38,320	36,777	26,284
Net loss for the year	(37,991)	(36,589)	(26,059)
Other comprehensive income			
Currency translation adjustment (note 2)	–	–	2,660
Net loss and comprehensive loss for the year	(37,991)	(36,589)	(23,399)
Basic and diluted loss per share (note 14)	(4.55)	(4.93)	(3.88)
Weighted average shares outstanding (note 14)	8,343,455	7,419,844	6,030,526

On December 7, 2022, the Corporation completed a share consolidation on the basis of one new common share for every 10 currently outstanding common shares. Per share amounts and numbers of outstanding common shares, stock options and deferred share units reflect the retrospective application of the share consolidation (see note 21)

The accompanying notes form an integral part of these audited annual consolidated financial statements.

IMV Inc.

Consolidated Statements of Cash Flows

(Expressed in thousands of United States dollars except for share and per share amounts)

	December 31, 2022 $	December 31, 2021 $	December 31, 2020 $ (recast – note 2)
Cash provided by (used in)			
Operating activities			
Net loss for the year	(37,991)	(36,589)	(23,399)
Charges to operations not involving cash			
Depreciation of property and equipment	1,002	541	384
Accreted interest and valuation adjustments	(260)	907	27
Fair value adjustment on government loan	(188)	(367)	(491)
Loss on disposal of property and equipment	21	30	54
Deferred share unit compensation	608	583	401
Stock-based compensation	1,580	1,738	753
Fair value adjustment on warrant liabilities	88	–	–
	(35,140)	(33,157)	(22,271)
Net change in non-cash working capital related to operations			
(Increase) decrease in amounts receivable	(125)	972	(925)
Decrease (increase) in prepaid expenses	2,082	(1,214)	(1,229)
(Increase) decrease in investment tax credits receivable	(63)	384	(243)
(Decrease) increase in accounts payable	(150)	970	1,401
	(33,396)	(32,045)	(23,267)
Financing activities			
Proceeds from issuance of share capital and warrants in private placement	–	–	17,795
Share and warrant issuance costs in private placement	–	–	(108)
Proceeds from public equity offerings	9,142	27,335	30,000
Share, share equivalent and warrant issuance costs in public equity offerings	(1,431)	(2,272)	(1,494)
Proceeds from the exercise of stock options	–	46	185
Proceeds from the exercise of warrants	–	–	1,721
Proceeds from long-term debt	10,000	14,836	704
Repayment of long-term debt	(73)	(4,069)	(31)
Repayment of lease obligation	(228)	(114)	(80)
	17,410	35,762	48,692
Investing activities			
Acquisition of property and equipment	(1,074)	(1,402)	(331)
Net change in cash and cash equivalents during the year	(17,060)	2,315	25,094
Cash and cash equivalents – Beginning of year	38,616	36,268	10,805
Effect of foreign exchange on cash and cash equivalents	(333)	33	369
Cash and cash equivalents – End of year	21,223	38,616	36,268
Supplementary cash flow			
Interest received	329	188	225
Interest paid	2,236	239	140

The accompanying notes form an integral part of these annual audited consolidated financial statements.

1 Nature of operations and going concern

IMV Inc. (the "Corporation" or "IMV") is, through its 100% owned subsidiaries, a clinical-stage biopharmaceutical company developing a novel class of cancer vaccines based on DPX®, our immune-educating technology platform. DPX is designed to inform a specific, coordinated and persistent anti-tumor immune response, that could change the lives of patients with cancer. DPX can package a wide range of bioactive molecules in a single formulation to incite the tumor-killing function of multiple, distinct immune cell subtypes. IMV's lead therapeutic candidate, maveropepimut-S ("MVP-S"), is a DPX-based cancer vaccine that delivers antigenic peptides from survivin, a well-recognized cancer antigen commonly overexpressed in advanced cancers. Survivin is overexpressed in most solid and hematologic tumors but rarely found in normal adult tissues. MVP-S is currently being evaluated in multiple clinical trials in patients with treatment refractory cancers like Diffuse Large B Cell Lymphoma and ovarian cancer. MVP-S is also being evaluated in earlier-stage trials in a neoadjuvant setting in bladder and breast cancers. The Corporation has one reportable and geographic segment. Incorporated under the Canada Business Corporations Act and domiciled in Dartmouth, Nova Scotia, Canada the shares of the Corporation are listed on the Nasdaq Stock Market and the Toronto Stock Exchange under the symbol "IMV". The Corporation's principal place of business is 130 Eileen Stubbs Avenue, Suite 19, Dartmouth, Nova Scotia, Canada and it also has corporate offices in Cambridge, MA and Quebec, QC.

These financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. Since the Corporation's inception, the Corporation's operations have been financed through the sale of shares, issuance of debt, revenue from subcontracts, interest income on funds available for investment, government assistance and income tax credits. The Corporation has incurred significant operating losses and negative cash flows from operations since inception and has an accumulated deficit of $192,911 as at December 31, 2022.

The ability of the Corporation to continue as a going concern is dependent upon raising additional financing through equity and non-dilutive funding and partnerships. There can be no assurance that the Corporation will have sufficient capital to fund its ongoing operations, and develop or commercialize any products without future financings. There can also be no assurance that the Common Shares will continue to be listed on the Nasdaq Stock Market LLC ("Nasdaq"), including as it relates to the Corporation regaining compliance with the Nasdaq listing requirements, such as the market value of listed securities. These material uncertainties cast substantial doubt as to the Corporation's ability to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Corporation is currently pursuing financing alternatives that may include equity, debt, and non-dilutive financing alternatives including co-development through potential collaborations, strategic partnerships or other transactions with third parties, and merger and acquisition opportunities. There can be no assurance that additional financing will be available on acceptable terms or at all. If the Corporation is unable to obtain additional financing when required, the Corporation may have to substantially reduce or eliminate planned expenditures or the Corporation may be unable to continue operations.

The Corporation's ability to continue as a going concern is dependent upon its ability to fund its research and development programs and defend its patent rights. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statements of financial position classifications that would be necessary if the Corporation were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

1 Nature of operations and going concern (continued)

An outbreak of a novel strain of coronavirus, identified as “COVID-19”, was declared a global pandemic by the World Health Organization on March 11, 2020. The extent to which a resurgence of the pandemic may cause significant disruptions to IMV’s business and greater impacts to results of operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the duration and severity of outbreaks, including potential future waves or cycles, the variants and the effectiveness of actions to contain and treat COVID-19. The Corporation cannot predict the duration, scope and severity of any potential business shutdowns or disruptions, including to ongoing and planned clinical studies and regulatory approval prospects that may occur should there be a resurgence of COVID-19. Further prolonged shutdowns or other business interruptions upon a resurgence of the COVID-19 pandemic could result in material and negative effects to the Corporation’s ability to conduct its business in the manner and on the timelines currently planned, which could have a material adverse impact on IMV’s business, results of operations, and financial condition. The COVID-19 pandemic continues to evolve, and the Corporation will continue to monitor any effect of COVID-19 on its business.

2 Basis of presentation

The Corporation prepares consolidated financial statements in accordance with Canadian generally accepted accounting principles as set out in the Chartered Professional Accountants of Canada Handbook – Accounting Part I, which incorporates International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were approved by the Board of Directors on March 15, 2023.

Functional and presentation currency

Effective January 1, 2021, the Corporation has adopted the United States dollar ("USD") as its functional and presentation currency. Prior to this date, the functional and presentation currency was the Canadian dollar ("CAD"). The change in the functional currency from the CAD to the USD was made to more closely reflect the primary economic environment in which the Corporation currently operates. As a result of the advancement of the Corporation's development programs, the Corporation has incurred and anticipates incurring the majority of future operating costs including research and development costs denominated mainly in USD. In addition, these costs will be financed from USD proceeds received from At-the-Market distribution agreements (“ATM”) executed in 2020. The Corporation also anticipates that potential future sales revenues and financings will be primarily denominated in USD. As such, these consolidated financial statements are measured in USD. On January 1, 2021, the change in functional currency resulted in the assets and liabilities as of December 31, 2020 being translated in USD using the exchange rate in effect on that date, and equity transactions were translated at historical rates. The change in functional currency was applied prospectively.

2 Basis of presentation (continued)

Functional and presentation currency (continued)

The change in presentation currency was applied retrospectively in accordance with IAS 8 – Accounting Policies, changes in Accounting Estimates and Errors, and therefore, these consolidated financial statements are presented in USD, together with the comparative information as at December 31, 2020 and December 31, 2021, for the year ended December 31, 2022. For comparative purposes, historical consolidated financial statements were recast in USD by translating assets and liabilities at the closing rate in effect at the end of the respective period, revenues, expenses and cash flows at the average rate in effect for the respective period and equity transactions at historical rates. Any exchange difference resulting from the translation was included in accumulated other comprehensive income presented in shareholders' equity.

3 New standards and interpretations not yet adopted

In January 2020, the IASB issued amendments to Presentation of financial statements ("IAS 1") to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2024. The Corporation has evaluated the impact of this amendment on its consolidated financial statements and it does not expect a material impact on the consolidated financial statements.

The IASB issued amendments to IAS 12, "Income Taxes", on May 7, 2021. The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Corporation has assessed the impact of amendments to IAS 12 and there will be no impact on the consolidated financial statements of the Corporation as a result of the adoption of this standard.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that are expected to have a material impact on the consolidated financial statements of the Corporation.

4 Significant accounting policies, judgements and estimation uncertainty

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention.

Consolidation

The financial statements of the Corporation consolidate the accounts of IMV Inc. and its subsidiaries. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation. There are no non-controlling interests, therefore, all loss and comprehensive loss is attributable to the shareholders of the Corporation.

4 Significant accounting policies, judgements and estimation uncertainty (continued)

Foreign currency translation

i) Functional and presentation currency

Items included in the consolidated financial statements of the Corporation are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in United States dollars, which is the Corporation's functional currency.

ii) Transactions and balances

Foreign currency translation of monetary assets and liabilities, denominated in currencies other than the Corporation's functional currency, are converted at the rate of exchange in effect at the consolidated statements of financial position date. Revenue and expense items are translated at the rate of exchange in effect at the transaction date. Translation gains or losses are included in determining income or loss for the year.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, and highly liquid temporary investments that are readily convertible to known amounts of cash. As of December 31, 2022, the Corporation did not have any cash equivalents.

Financial instruments

Financial assets and liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount is reported in the consolidated statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recognised at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of loan notes issued by the Corporation are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished.

4 Significant accounting policies, judgements and estimation uncertainty (continued)

Financial instruments (continued)

Transaction costs that relate to the issue of the loan notes are allocated to the liability and compound instruments in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.

Classification and subsequent measurement

Financial instruments are classified into the following specified categories: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The classification depends on the nature and purpose of the financial instrument and is determined at the time of initial recognition. Financial instruments do not include amounts due to or from government entities.

Derivatives embedded in contracts where the host is a financial liability are separated from the host debt contract and accounted for separately unless an election is made to account for the whole debt instrument at FVTPL or if they are not closely related to the host contract.

The Corporation has implemented the following classifications:

- Cash and cash equivalents and amounts receivable are classified as amortized cost. After their initial fair value measurement, they are measured at amortized cost using the effective interest method; and
- Accounts payable, accrued and other liabilities, amounts due to directors and long-term debt are classified as other amortized cost. After their initial fair value measurement, they are measured at amortized cost using the effective interest method.
- Warrant liabilities are classified as FVTPL and are remeasured each reporting period.

Impairment of financial assets

The Corporation applies the simplified method of the expected credit loss model required under IFRS 9, Financial Instruments. Under this method, the Corporation estimates a lifetime expected loss allowance for all receivables. Receivables are written off when there is no reasonable expectation of recovery.

If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the consolidated statements of loss and comprehensive loss during the period in which they are incurred.

4 Significant accounting policies, judgements and estimation uncertainty (continued)

Property and equipment (continued)

Depreciation of property and equipment is calculated using the declining-balance method, with the exception of leasehold improvements and right-of-use assets, at the following annual rates:

Computer equipment	30%
Computer software	100%
Furniture and fixtures	20%
Laboratory equipment	20%
Leasehold improvements and right-of-use assets	straight-line

Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of general and administrative expenses in the consolidated statements of loss and comprehensive loss.

Property and equipment and intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or "CGU"s). The recoverable amount is the higher of an asset's fair value less the costs to sell, and value in use (being the present value of the expected future cash flows of the relevant asset or CGU).

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The Corporation evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

Leases

Under IFRS 16, Leases, the Corporation assesses whether a contract is or contains a lease based on the definition of a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Corporation assesses whether:

- the contract involves the use of an identified asset, specified either explicitly or implicitly, that is physically distinct, and usage represents substantially all of the capacity of the asset;
- the Corporation has the right to obtain substantially all of the economic benefits from use of the asset; and
- the Corporation has the right to direct use of the asset, which is evidenced by decision-making rights to direct how and for what purpose the asset is used.

The Corporation recognizes an asset and a lease liability at the lease commencement date. The asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made

4 Significant accounting policies, judgements and estimation uncertainty (continued)

Leases (continued)

at or before the commencement date, plus any initial direct costs incurred, less any incentives received. The asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term.

The estimated useful lives of leased assets are determined on the same basis as those of property and equipment. The carrying amount of the leased asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, if any.

The lease liability is initially measured at the present value of future lease payments, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Corporation's incremental borrowing rate. Generally, the Corporation uses its incremental borrowing rate as the discount rate. The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured if the Corporation changes its assessment of whether it will exercise a purchase, extension, or termination option. If the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the leased asset, or is recorded in the consolidated statements of loss and comprehensive loss if the carrying value of the leased asset is zero.

The Corporation has elected not to recognize assets and lease liabilities for short-term leases with a term of 12 months or less, and leases of low value assets.

The lease payments associated with these leases are recognized as an expense in the consolidated statements of loss and comprehensive loss over the lease term. Low value assets consist primarily of computers and information technology equipment.

Income tax

Income tax is comprised of current and deferred income tax. Income tax is recognized in the consolidated statements of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

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

In general, deferred income tax is recognized in respect of temporary differences including non-refundable investment tax credits, arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the consolidated statements of financial position date and are expected to apply when the deferred income tax asset or liability is settled. Deferred income tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except in the case of subsidiaries, where the timing of the reversal of

4 Significant accounting policies, judgements and estimation uncertainty (continued)

Income tax (continued)
the temporary difference is controlled by the Corporation and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are presented as non-current.

Research and development

All research costs are expensed in the period incurred. Development costs are expensed in the period incurred, unless they meet the criteria for capitalization, in which case, they are capitalized and then amortized over the useful life. Development costs are written off when there is no longer an expectation of future benefits.

Revenue recognition

Revenue is recognized as the Corporation satisfies its performance obligations under the terms of the contract. Performance obligations are considered to be satisfied when the customer obtains control of the related asset. Current and expected future revenue streams include: (i) milestone payments generated upon entering into potential contractual partnerships and achieving development and sales milestones; (ii) future royalties generated from the eventual commercialization of the Corporation's products; and (iii) amounts generated for providing formulation and research support services related to existing licensing and research agreements with partners.

Revenue resulting from formulation services is recognized in the accounting period in which the formulation is delivered to the customer. Typically, the customer does not have control of the asset while services are being performed and, therefore, revenues are recognized at the time the Corporation has completed its obligation and the customer obtains control of the asset.

Revenue resulting from research support services is recognized over time as the services are performed, as the customer benefits simultaneously from the service, and as the Corporation satisfies its performance obligation.
The Corporation expects to generate upfront payments, milestone and royalty revenues from future licenses for the Corporation's products. Upfront payments and milestones will be recognized as revenue when or as the underlying obligations are achieved and are not conditional on any further performance, which could be at a point in time or over time depending on the contractual terms. Royalty revenue will be recognized in the period in which the Corporation earns the royalty.

The Corporation does not generate licensing or royalty revenues at this time.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from share capital.

Loss per share

Basic loss per share ("LPS") is calculated by dividing the net loss for the year attributable to equity owners of the Corporation by the weighted average number of common shares and common share equivalents outstanding during the year (note 14).

4 Significant accounting policies, judgements and estimation uncertainty (continued)

Loss per share (continued)
Diluted LPS is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is computed using the treasury stock method.

Stock-based compensation plan

The Corporation grants stock options to certain employees and non-employees. Beginning January 1, 2018, stock options typically vest over three years (33 1/3% per year) and expire after five to ten years. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting period by increasing contributed surplus based on the number of awards expected to vest. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately.

A holder of an option may, rather than exercise such option, elect a cashless exercise of such option payable in common shares equaling the amount by which the value of an underlying share at that time exceeds the exercise price of such option or warrant to acquire such share.

Deferred share unit plan ("DSU" Plan)

The Corporation grants deferred share units ("DSUs") to members of its Board of Directors ("Board Members"), who are not employees or officers of the Corporation. DSUs cannot be redeemed until the holder is no longer a director of the Corporation and are considered equity-settled instruments. In accordance with the DSU Plan, DSUs for ongoing services are granted quarterly and vest immediately. The Board Members can also grant DSUs at its discretion, which may vest over time. The value attributable to DSUs is based on the market value at the time of grant and a compensation expense is recognized in general and administrative expenses on the consolidated statements of loss and comprehensive loss in accordance with the vesting terms. At the time of redemption, each DSU may be exchanged for one common share of IMV Inc., net of applicable withholding taxes.

Government assistance

Government assistance consists of non-repayable government grants, from a number of government agencies and the difference between the fair value and the book value of repayable low-interest government loans, recorded initially at fair value. Government assistance is recorded in the period earned using the cost reduction method and is included in government assistance on the consolidated statements of loss and comprehensive loss.

Research and development tax credits

Refundable investment tax credits relating to scientific research and experimental development expenditures ("SR&ED") are recorded in the accounts in the fiscal period in which the qualifying expenditures are incurred provided there is reasonable assurance that the tax credits will be realized. Refundable investment tax credits, in connection with SR&ED activities, are accounted for using the cost reduction method and included in government assistance on the statements of loss and comprehensive loss. Amounts recorded for refundable

4 Significant accounting policies, judgements and estimation uncertainty (continued)

Research and development tax credits (continued)

investment tax credits are calculated based on the expected eligibility and tax treatment of qualifying SR&ED expenditures recorded in the Corporation's consolidated financial statements.

Critical accounting estimates and judgments

The Corporation makes estimates and assumptions concerning the future that will, by definition, seldom equal actual results. The following are the estimates and judgments applied by management that most significantly affect the Corporation's consolidated financial statements.

The following estimates and judgments have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Calculation of initial fair value and carrying amount of long-term debt

Atlantic Canada Opportunities Agency ("AOCA") conditionally repayable loans ("Conditional ACOA") loans

The initial fair value of the Conditional ACOA loans is determined by using a discounted cash flow analysis for each of the loans, which require a number of assumptions. The difference between the face value and the initial fair value of the Conditional ACOA loans is recorded in the consolidated statements of loss and comprehensive loss as government assistance. The carrying amount of the Conditional ACOA loans requires management to adjust the long-term debt to reflect actual and revised estimated cash flows whenever revised cash flow estimates are made or new information related to market conditions is made available. Management recalculates the carrying amount by computing the present value of the estimated future cash flows at the original effective interest rate. Any adjustments are recognized in the consolidated statements of loss and comprehensive loss as accreted interest and other adjustments after initial recognition.

The significant assumptions used in determining the discounted cash flows include estimating the amount and timing of future revenue for the Corporation and the discount rate.

As the Conditional ACOA loans are repayable based on a percentage of gross revenue, if any, the determination of the amount and timing of future revenue significantly impacts the initial fair value of the loan, as well as the carrying value of the Conditional ACOA loans at each reporting date. The expected revenue streams include i) estimated royalties generated from the eventual commercialization of the Corporation's products, and ii) estimated milestone payments generated upon entering into potential contractual partnerships and achieving development and sales milestones. The amount and timing of estimated milestone payments forecasted are earlier and less predictable, therefore, changes in the amount and timing of milestone payments could have a significant impact on the fair value of the loans. Further, the Corporation is in the early stages of research for its product candidates; accordingly, determination of the amount and timing of any revenue streams requires significant judgment by management.

(Expressed in thousands of United States dollars except for share and per share amounts)

4 Significant accounting policies, judgements and estimation uncertainty (continued)

Critical accounting estimates and judgement (continued)

The discount rate determined on initial recognition of the Conditional ACOA loans is used to determine the present value of estimated future cash flows expected to be required to settle the debt. In determining the

appropriate discount rates, the Corporation considered the interest rates of similar long-term debt arrangements with similar terms. The Conditional ACOA loans are repayable based on a percentage of gross revenue, if any; accordingly, finding financing arrangements with similar terms is difficult and management was required to use significant judgment in determining the appropriate discount rates. Management used a discount rate of 35% to discount the Conditional ACOA loans.

If the weighted average discount rate used in determining the initial fair value and the carrying value at each reporting date of all Conditional ACOA loans, with repayment terms based on future revenue, had been determined to be higher by 10%, or lower by 10%, the carrying value of the long-term debt as at December 31, 2022 would have been an estimated $561 lower or $754 higher, respectively. A 10% increase or decrease in the total forecasted revenue would not have a significant impact on the amount recorded for the loans. If the total forecasted revenue were reduced to $nil, no amounts would be forecast to be repaid on the Conditional ACOA loans, and the Conditional ACOA loans payable at December 31, 2022 would be recorded at $nil, which would be a reduction in the liability of $2,905. If the timing of the receipt of forecasted future revenue was delayed by two years, the carrying value of the long-term debt at December 31, 2022 would have been an estimated $1,311 lower.

5 Amounts receivable

	December 31, 2022 $	December 31, 2021 $
Amounts due from government assistance	–	16
Sales tax receivable	698	576
Other	29	10
	727	602

6 Accounts payable, accrued and other liabilities

	December 31, 2022 $	December 31, 2021 $
Trade payables	3,186	4,628
Accrued and other liabilities	5,849	3,893
Payroll taxes	2	17
Amounts due to Directors	–	69
	9,037	8,607

(Expressed in thousands of United States dollars except for share and per share amounts)

7 Lease obligation

	Amount $
Balance – December 31, 2020 (recast – note 2)	1,062
Additions	701
Repayment of lease obligation	(260)
Accreted interest	146
Currency translation adjustment	3
Balance – December 31, 2021	1,652
Additions and valuation adjustments	105
Repayment of lease obligation	(430)
Accreted interest	202
Currency translation adjustment	(90)
Balance – December 31, 2022	1,439
Less: Current portion	(320)
Non-current portion	1,119

The Corporation recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the liability, discounted at an incremental borrowing rate of 11%, adjusted for any payments made before the commencement date, plus any initial direct costs, less any lease incentives received. During the year ended December 31, 2022, the Corporation recognized $108 (2021 - $719; 2020 - $131) in right-of-use assets in property and equipment on the statements of financial position and recognized $16 in expenses related to low-value and short-term leases (2021 - $16; 2020 - $15) and $139 (2021 - $146; 2020 - $127) related to variable lease payments not included in measurement of lease liabilities on the consolidated statements of loss and comprehensive loss.

(Expressed in thousands of United States dollars except for share and per share amounts)

8 Property and equipment

	Computer equipment and software $	Furniture and fixtures $	Laboratory equipment $	Right-of-use assets $	Leasehold improve-ments $	Total $
Year ended December 31, 2021						
Opening net book value	95	110	605	925	486	2,221
Additions	112	9	1,115	719	166	2,121
Disposals						
Cost	–	–	(98)	–	–	(98)
Accumulated depreciation	–	–	69	–	–	69
Depreciation for the year	(48)	(24)	(145)	(217)	(107)	(541)
Impact of foreign exchange rate changes	(3)	–	(23)	(12)	(3)	(41)
Closing net book value	156	95	1,523	1,415	542	3,731
As at December 31, 2021						
Cost	496	195	2,342	1,951	819	5,803
Accumulated depreciation	(347)	(102)	(836)	(546)	(282)	(2,113)
Impact of foreign exchange rate changes	7	2	17	10	5	41
Net book value	156	95	1,523	1,415	542	3,731
Year ended December 31, 2022						
Opening net book value	156	95	1,523	1,415	542	3,731
Additions	267	2	856	108	26	1,259
Disposals						
Cost	(99)	–	(40)	–	–	(139)
Accumulated depreciation	81	–	37	–	–	118
Depreciation for the year	(179)	(19)	(323)	(319)	(162)	(1,002)
Impact of foreign exchange rate changes	(10)	(4)	(104)	(66)	(23)	(207)
Closing net book value	216	74	1,949	1,138	383	3,760
As at December 31, 2022						
Cost	630	186	2,993	1,944	798	6,551
Accumulated depreciation	(432)	(117)	(1,087)	(840)	(432)	(2,908)
Impact of foreign exchange rate changes	18	5	43	34	17	117
Net book value	216	74	1,949	1,138	383	3,760

(Expressed in thousands of United States dollars except for share and per share amounts)

9 Long-term debt

	December 31, 2022 $	December 31, 2021 $
ACOA Atlantic Innovation Fund ("AIF"), interest-free loan[1] with a maximum contribution of CAD$3,786. Annual repayments, commencing December 1, 2008, are calculated as a percentage of gross revenue for the preceding fiscal year, at 2% when gross revenues are less than CAD$5,000 and 5% when gross revenues are greater than CAD$5,000. As at December 31, 2022, the amount drawn down on the loan, net of repayments, is $2,927 (2021 - $2,927).	1,123	1,088
ACOA AIF, interest-free loan[1] with a maximum contribution of CAD$3,000. Annual repayments, commencing December 1, 2011, are calculated as a percentage of gross revenue for the preceding fiscal year, at 2% when gross revenues are less than CAD$5,000 and 5% when gross revenues are greater than CAD$5,000. As at December 31, 2022, the amount drawn down on the loan is $2,341 (2021 - $2,341).	898	911
ACOA Business Development Program, interest-free loan with a maximum contribution of CAD$395, repayable in monthly payments commencing October 2015 of CAD$3 until October 2017 and CAD$6 until June 2023. As at December 31, 2022, the amount drawn down on the loan, net of repayments, is $24 (2021 - $78).	24	76
ACOA AIF, interest-free loan[1] with a maximum contribution of CAD$2,944, annual repayments commencing September 1, 2014, are calculated as a percentage of gross revenue from specific product(s) for the preceding fiscal year, at 5% for the first 5 years and 10%, thereafter. As at December 31, 2022, the amount drawn down on the loan is $2,303 (2021 - $2,303).	884	937
TNC 120-140 Eileen Stubbs Ltd. (the Landlord) loan, with an original balance of CAD$300, bearing interest at 8% per annum, is repayable in monthly payments of $4 beginning February 1, 2019 until May 1, 2028. As at December 31, 2022, the balance on the loan is $148 (2021 - $179).	148	179

(Expressed in thousands of United States dollars except for share and per share amounts)

9 Long-term debt (continued)

ACOA Regional Economic Growth through Innovation[1] – Business Scale-Up and Productivity Program, interest-free loan with a maximum contribution of CAD$1,000. Annual repayments, commencing September 1, 2022, are calculated as a percentage of gross revenue from DPX-COVID-19 product(s) for the preceding fiscal year, at 5% when gross revenues are less than CAD$5,000 and 10% when gross revenues are greater than CAD$5,000. As at December 31, 2022 the Corporation has been relieved from its obligation by way of a debt forgiveness letter received from ACOA, therefore the carrying value is $nil (2021 - $704).	–	192
Venture loan with Horizon Technology Finance Corporation and Powerscourt investments XXV, LP ("Venture Loan") bearing interest at The Wall Street Journal prime rate plus 5.75%, compounded annually and payable monthly, maturity on July 1, 2025, with effective interest rate of 13.06%. As at December 31, 2022, the amount drawn down on the loan is $25,000 (2021 - $15,000)	24,381	14,619
	27,458	18,002
Less: current portion	47	73
	27,411	17,929

[1]These loans are repayable based on a percentage of gross revenue, if any. The carrying amount of these loans is reviewed each reporting period and adjusted as required to reflect management's best estimate of future cash flows, based on a number of assumptions, discounted at the original effective interest rate.

Total contributions received, less amounts that have been repaid as at December 31, 2022, is $32,743 (2021 - $23,532). The Corporation is in compliance with its debt covenants. Certain ACOA loans require approval by ACOA before the Corporation can pay management fees, bonuses, dividends or other distributions, or before there is any change of ownership of the Corporation.

Venture Loan with Horizon Technology Finance Corporation and Powerscourt Investments XXV, LP

On December 17, 2021, the Corporation was issued a $15,000 Venture Loan at a variable annual rate of published in The Wall Street Journal prime rate plus 5.75%, with an interest rate floor at 3.25% on the prime rate (effective interest rate of 13.06%). Interest is compounded annually and payable monthly on the first day of the month commencing January 1st, 2022. The Venture Loan maturity date is set 42 months from the first day of the month next following the month in which the loan was issued. In addition, a final payment of $750 is required by the contract. Concurrently to the Venture Loan issuance, six warrants were issued to the lender at an initial fair value of $318. Combined, these warrants allows the holder to purchase 45,454 shares at an exercise price of $13.20.

On June 22, 2022, following the achievement of a pre-determined milestone, activation of it's phase 2B AVALON trial in platinum-resistant ovarian cancer, the Corporation borrowed the remaining $10,000 under the Venture Loan, and the number of shares for which the attached warrants are exercisable increased by 11,364, to a total of

(Expressed in thousands of United States dollars except for share and per share amounts)

9 Long-term debt (continued)

56,818. Transaction costs associated with the venture loan were $377 of which, $224 has been allocated to the debt component, $4 to the warrants and $149 to the loan commitment.

Monthly pro rata principal repayments start after 24 months from loan inception. If a predetermined milestone is reached, the start date for the repayment of principal is deferred for 6 months, with no extension of maturity.

The Corporation may, at its option, at any time, prepay all the outstanding Venture Loan by simultaneously paying to the lenders an amount equal to any accrued and unpaid interest, the outstanding principal balance and the final payments of the Venture Loan plus an amount equal to:

a) 3% in the 18 first months of the loan;
b) 2% in the months 19 to 30 of the loan;
c) 1% in the last 12 months of the loan (31 to 42).

The prepayment option is an embedded derivative, but has insignificant value as of December 31, 2022.

The Venture Loan has a priority security interest in all assets of IMV, excluding intellectual property. IMV has entered into a negative pledge agreement regarding intellectual property with the lenders.

The minimum annual principal repayments of long-term debt over the next five years, excluding the repayments of the Conditional ACOA loans for 2023 and beyond which are not determinable at this time, are as follows:

	$
Year ending December 31, 2023	47
2024	15,302
2025	9,749
2026	29
2027	31

	December 31, 2022 $	December 31, 2021 $
Balance – Beginning of period	18,002	6,906
Borrowings	10,000	14,520
Accreted interest and valuation adjustments	(260)	907
Revaluation of long-term debt	(188)	(367)
Repayment of debt	(73)	(4,069)
Currency translation adjustment	(23)	105
Balance – End of period	27,458	18,002
Less: Current portion	47	73
Non-current portion	27,411	17,929

(Expressed in thousands of United States dollars except for share and per share amounts)

10 Warrant liabilities

In conjunction with the Venture Loan with Horizon Technology Finance Corporation and Powerscourt Investments XXV, on December 17, 2021, six warrants have been issued to the lenders. Combined, these warrants allow the holder to purchase 45,454 common shares at an exercise price of $13.20 On June 22, 2022, in connection with the draw down of the remaining of $10,000 under the Venture Loan, the number of shares for which these warrants are exercisable increased to 56,818 with no change in exercise price. The warrants can be exercised at any moment from grant date to the 10 year anniversary and will be automatically exercised on expiration date. The holder can choose to exercise the warrant with a payment to the Corporation or exercise on a net issuance basis (cashless). This last feature breaches the fixed-for-fixed criterion, therefore the warrants are classified as financial liability and will be remeasured at FVTPL at each reporting period.

The fair values of warrants are estimated using the Black-Scholes option pricing model. The weighted average assumptions used in the Black-Scholes valuation model for the periods presented were as follows:

	December 31, 2022	December 31, 2021
Risk-free interest rate	4.01%	0.94%
Market price	$2.43	$12.80
Expected volatility	102.21%	94.44%
Expected dividend yield	–	–
Expected life (years)	1.5	2.5

11 Share capital

Authorized

Unlimited number of common shares and preferred shares, issuable in series, all without par value.

The per share amounts disclosed reflect the retrospective application of the share consolidation completed December 7, 2022 (note 22).

	Common shares #	Amount $
Issued and outstanding		
Balance – December 31, 2019 (recast – note 2)	5,063,088	90,294
Issued for cash, net of issuance costs	1,561,178	43,515
Stock options exercised	16,209	482
DSUs redeemed	7,692	128
Warrants exercised	61,189	2,286
Balance – December 31, 2020 (recast – note 2)	6,709,356	136,705
Issued for cash, net of issuance costs	1,484,241	18,983
DSUs redeemed	14,586	331
Stock options exercised	8,350	217
Balance – December 31, 2021	8,216,533	156,236
Issued for cash, net of issuance costs	910,363	1,244
DSUs redeemed	10,050	64
Exercise of pre-funded warrants	423,276	562
Balance – December 31, 2022	9,560,222	158,106

11 Share capital (continued)

As at December 31, 2022, a total of 7,576,411 shares (2021 – 1,683,787; 2020 – 452,338) are reserved to meet outstanding stock options, pre-funded warrants, warrants and deferred share units ("DSUs").

On December 20, 2022, the Corporation completed a public equity offering ("December 2022 Offering"), issuing an aggregate of 900,000 common shares and 2,548,276 pre-funded warrants at a price of $2.61 per unit, for aggregated gross proceeds of $9,000. The pre-funded warrants were determined to be common share equivalents. Each unit consisted of one common share or equivalent and one common share purchase warrant, with each warrant entitling the holder to acquire one common share of the Corporation at an exercise price of $2.50 for a period of 60 months expiring on December 16, 2027. The value allocated to the common shares, pre-funded warrants, and purchase warrants was $1,463, $4,143, and $3,394, respectively. Total costs associated with the offering were $1,683, including cash costs for professional and regulatory fees of $1,343 and 241,379 compensation warrants issued as commission to the agents valued at $340. Each compensation warrant entitles the holder to acquire one common share of the Corporation at an exercise price of $3.26 for a period of five years, expiring on December 16, 2027.

As of December 31, 2022, 423,276 pre-funded warrants have been exercised resulting in the issuance of 423,276 common shares for a nominal value of cash. The value of pre-funded warrants exercised, net of issuance costs was $562.

On October 16, 2020, the Corporation entered into an Equity Distribution Agreement ("October 2020 ATM") with Piper Sandler & Co. ("Piper Sandler") authorizing the Corporation to offer and sell common shares from time-to-time up to an aggregate offering amount of $50,000 through Piper Sandler, as agent. The total expenses associated with the ATM Distribution, excluding compensation and reimbursements payable to Piper Sandler under the terms of the Equity Distribution Agreement, were approximately $295. As of December 31, 2022, 10,413 (2021 – 55,669) common shares were sold for gross proceeds of $142 (2021 - $2,335). The October 2020 ATM was terminated on July 22, 2022 with the expiration of the Corporation's Canadian base shelf prospectus.

In order to maintain the Corporation's ATM Distribution facility under its renewed Canadian base shelf prospectus, the Corporation re-entered into an Equity Distribution Agreement dated August 4, 2022 ("August 2022 ATM"), with Piper Sandler, to offer and sell common shares from time-to-time up to an aggregate offering amount of US$50,000 through Piper Sandler, as agent. As of December 31, 2022, no common shares have been sold under the August 2022 ATM.

On July 20, 2021, the Corporation completed the July 2021 Public Offering, issuing an aggregate of 1,428,571 units at a price of $17.50 per unit, for aggregated proceeds of $25 million. Each unit consisted of one common share and 0.75 of one common share purchase warrant, with each whole warrant entitling the holder to acquire one common share of the Corporation at an exercise price of $21.00 for a period of 60 months expiring on July 20, 2026. The value allocated to the common shares issued was $18,357 and the value allocated to the warrants was $6,443. Total costs associated with the offering were $2,168, including cash costs for professional and regulatory fees.

On May 7, 2020, the Corporation completed a private placement of 877,001 units at a price of CAD$28.60 per unit, for aggregated proceeds of $17,795. Each unit consisted of one common share and 0.35 of one common

(Expressed in thousands of United States dollars except for share and per share amounts)

11 Share capital (continued)

share purchase warrant, with each whole warrant entitling the holder to acquire one common share of the Corporation at an exercise price of CAD$37.20 for a period of 24 months expiring on May 7, 2022. The value allocated to the common shares issued was $15,117 and the value allocated to the warrants was $2,678. total costs associated with the offering were $108, including cash costs for professional and regulatory fees.

On March 17, 2020, the Corporation entered into an Equity Distribution Agreement ("March 2020 ATM") with Piper Sandler authorizing the Corporation to offer and sell common shares from time-to-time up to an aggregate offering amount of $30,000 through Piper Sandler, as agent. The March 2020 ATM was terminated on June 30, 2020 and 207,088 common shares were sold under this agreement for total gross proceeds of $5,500. To maintain the remainder of IMV's March 2020 ATM facility under its new Canadian base shelf prospectus, IMV entered a second ATM Distribution dated June 30, 2020 ("June 2020 ATM"), with Piper Sandler, to offer and sell common shares from time-to-time up to an aggregate offering amount of $24,500 through Piper Sandler, as agent. An additional 477,089 common shares were sold for gross proceeds of $24,500, concluding the proceeds raised under the June 2020 ATM to the maximum offering amount. In 2020, a total of 684,177 shares were sold under he two ATM Distribution agreements for total gross proceeds of $30,000. The total expenses associated with both ATM Distributions including commissions, were approximately $1,462.

12 Contributed surplus

	Amount $
Balance – December 31, 2019 (recast – note 2)	6,676
Share-based compensation	
Stock options vested	753
DSUs vested	401
Stock options exercised	(297)
DSUs redeemed	(132)
Warrants expired	251
Balance – December 31, 2020 (recast – note 2)	7,652
Share-based compensation	
Stock options vested	1,738
DSUs vested	583
Stock options exercised	(171)
DSUs Redeemed	(432)
Balance – December 31, 2021	9,370
Share-based compensation	
Stock options vested	1,580
DSUs vested	608
Warrants expired	2,350
Pre-funded warrants issued, net of costs	3,368
Pre-funded warrants exercised, net of costs	(562)
DSUs Redeemed	(116)
Balance – December 31, 2022	16,598

(Expressed in thousands of United States dollars except for share and per share amounts)

12 Contributed surplus (continued)

Pre-funded warrants

On December 20, 2022, as a consideration in the December 2022 Offering, the Corporation issued 2,548,276 pre-funded warrants. The gross proceeds allocated to the pre-funded warrants was $4,143. The pre-funded warrants exercise price was $0.0001 and do not expire.

Pre-funded warrant activity for the period ended December 31, 2022:

	December 31 2022 #
Opening Balance	–
Granted	2,548,276
Exercised, net of issuance costs	(423,276)
	2,125,000

Deferred share units

The maximum number of common shares which the Corporation is entitled to issue from Treasury in connection with the redemption of DSUs granted under the DSU Plan is 200,000 common shares. The compensation expense as at December 31, 2022 was $608 (2021 – $483; 2020 – $401) recognized over the vesting period. Vested DSUs cannot be redeemed until the holder is no longer a member of the Board. The number of DSUs disclosed below reflect the retrospective application of the share consolidation completed December 7, 2022 (see note 21).

DSU activity for the years ended:

	December 31 2022 #	December 31 2021 #	December 31 2020 #
Opening balance	53,688	42,915	36,062
Granted	132,725	32,515	14,757
Redeemed	(18,261)	(21,742)	(7,904)
Closing balance	168,152	53,688	42,915

Stock options

The Board of Directors of the Corporation has established a stock option plan (the "Plan") under which options to acquired common shares of the Corporation are granted to directors, employees and other advisors of the Corporation. The maximum number of common shares issuable under the rolling Plan shall not exceed 8% of common shares issued and outstanding, inclusive of all shares presently reserved for issuance pursuant to previously granted stock options. Stock options are granted with an exercise price determined by the Board of Directors, which is not less than the market price of the shares on the day preceding the award. The term of the option is determined by the Board of Directors, not to exceed ten years from the date of grant. The vesting of the options is determined by the Board and, beginning January 1, 2018, is typically 33 1/3% every year after the date of grant.

(Expressed in thousands of United States dollars except for share and per share amounts)

12 Contributed surplus (continued)

Stock options (continued)

The number of stock options disclosed reflect the retrospective application of the share consolidation completed December 7, 2022 (see note 21).

In the event that the option holder should die while he or she is still a director, employee or other advisor of the Corporation, the expiry date shall be 12 months from the date of death of the option holder, not to exceed the original expiry date of the option. In the event that the option holder ceases to be a director, employee or other advisor of the Corporation other than by reason of death or termination, the expiry date of the option shall be the 90th day following the date the option holder ceases to be a director, employee or other advisor of the Corporation, not to exceed the original expiry date of the option.

The fair values of stock options are estimated using the Black-Scholes option pricing model. As at December 31, 2022, 452,356 stock options (2021 – 143,063; 2020 – 39,585) with a weighted average exercise price of CAD$12.49 (2021 – CAD$32.96, 2020 - CAD$55.00) and a term of ten years (2021 – ten years; 2020 – five years), were granted to employees and consultants. The expected volatility of these stock options was determined using historical volatility rates and the expected life was determined using the weighted average life of past options issued. The value of these stock options has been estimated at $3,086 (2021 - $2,681 2020 - $870), which is a weighted average grant date value per option of CAD$8.87 (2021 – CAD$23.48, 2020 - CAD$29.47), using the Black-Scholes valuation model and the following weighted average assumptions:

	2022	2021	2020
Risk-free interest rate	2.14%	0.82%	1.00%
Exercise price	CAD$12.48	CAD$32.96	CAD$55.00
Market price	CAD$12.48	CAD$32.96	CAD$55.00
Expected volatility	77%	79%	71%
Expected dividend yield	–	–	–
Expected life (years)	7.0	7.0	4.2
Forfeiture rate	6%	4%	4%

(Expressed in thousands of United States dollars except for share and per share amounts)

12 Contributed surplus (continued)

Stock options (continued)

Option activity for the years ended 2022, 2021 and 2020 was as follows:

	Number #	Weighted average exercise price $CAD
Issued and outstanding		
Balance - December 31, 2019 (recast - note 2)	157,318	46.17
Granted	39,585	55.00
Exercised	(20,356)[1]	24.24
Forfeited	(4,763)	68.03
Cancelled	(8,179)	68.52
Expired	–	–
Balance – December 31, 2020 (recast – note 2)	163,605	49.28
Granted	143,063	32.96
Exercised	(15,041)[1]	23.68
Forfeited	(10,923)	44.65
Cancelled	(12,422)	38.36
Expired	(875)	23.68
Balance – December 31, 2021	267,407	42.77
Granted	452,356	12.49
Forfeited	(115,028)	20.52
Cancelled	(51,100)	55.81
Expired	(88,278)	44.85
Balance – December 31, 2022	465,357	17.01

[1] Of the options exercised (2021 – 15,041; 2020 – 20,356), (2021 - 12,581; 2020 – 10,985) elected the cashless exercise, under which (2021 - 5,879; 2020 – 6,834) were issued. These options would have otherwise been exercisable for proceeds of (2021 – $235; 2020 – $180) on the exercise date. There were no options exercised in 2022.

The number and weighted average exercise price of options exercisable as at December 31, 2022 is 47,060 and CAD$39.93, respectively (2021 – 130,122 and CAD$51.44; 2020 – 93,863 and CAD$41.32).

(Expressed in thousands of United States dollars except for share and per share amounts)

12 Contributed surplus (continued)

Stock options (continued)

At December 31, 2022, the following options were outstanding:

	Options outstanding			Options exercisable		
Exercise price range $CAD	Number #	Weighted average exercise price $CAD	Weighted average remaining contractual life (years)	Number #	Weighted average exercise price $CAD	Weighted average remaining contractual life (years)
7.70 – 8.50	136,886	7.70	9.75	–	–	–
8.51 – 13.25	18,472	9.98	9.48	–	–	–
13.26 – 15.35	169,500	14.70	9.07	–	–	–
15.36 – 25.75	84,189	18.99	8.83	17,111	21.02	8.72
25.76 – 73.90	56,310	45.95	5.37	29,949	50.74	3.99
	465,357	17.01	8.80	47,060	39.93	5.71

13 Warrants

Warrant activity for the years ended 2022, 2021 and 2020, was as follows:

	Common shares #	Weighted average exercise price $CAD	Amount $
Issued and outstanding			
Balance – December 31, 2019 (recast – note 2)	13,477	65.28	254
Granted	306,950	37.20	2,678
Exercised	(61,189)	37.20	(565)
Expired	(13,477)	65.28	(251)
Balance – December 31, 2020 (recast – note 2)	245,761	37.20	2,116
Granted	1,071,429	26.70	6,080
Balance – December 31, 2021	1,317,190	28.70	8,196
Granted	3,689,655	3.49	3,099
Expired	(245,761)	37.20	(2,350)
Balance – December 31, 2022	4,761,084	7.43	8,945

(Expressed in thousands of United States dollars except for share and per share amounts)

13 Warrants (continued)

The fair values of warrants are estimated using the Black-Scholes option pricing model. The weighted average assumptions used in the Black-Scholes valuation model for the periods presented were as follows:

	2022	2021	2020
Risk-free interest rate	3.6%	0.51%	0.27%
Market price	$2.80	$26.70CAD	$37.20CAD
Expected volatility	89%	92%	83%
Expected dividend yield	–	–	–
Expected life (years)	2.5	2.5	2

The number of warrants disclosed above reflect the retrospective application of the share consolidation completed December 7, 2022 (see note 21).

14 Loss per share

The loss used in the calculation of loss per share is the net loss for the year presented in the consolidated statement of loss and comprehensive loss.

The following table summarizes the reconciliation of the basic weighted average number of outstanding shares weighted average number of shares outstanding:

	2022 \#	2021 \#	2020 \#
Basic weighted average number of shares outstanding	8,271,660	7,419,844	6,030,526
Plus weighed average unexercised pre-funded warrants	71,795	–	–
Total weighed average number of shares outstanding for LPS	8,343,455	7,419,844	6,030,526

Diluted LPS is equal to the LPS as the Corporation is in a loss position and all securities, comprised of options and warrants, would be anti-dilutive. The loss per share disclosed above reflects the retrospective application of the share consolidation completed December 7, 2022 (see note 21).

(Expressed in thousands of United States dollars except for share and per share amounts)

15 Deferred income taxes

a) Reconciliation of total tax recovery

The effective rate on the Corporation's loss before income tax differs from the expected amount that would arise using the statutory income tax rates. A reconciliation of the difference is as follows:

	2022 $	2021 $	2020 $
Loss before income taxes	(37,991)	(36,589)	(26,059)
Income tax rate	28.50%	28.50%	28.50%
	(10,827)	(10,428)	(7,427)
Effect on income taxes of:			
Non-deductible share-based compensation	600	650	343
Unrecognized temporary differences	10,192	9,749	7,055
Other non-deductible items	21	29	29
Income tax based on rates different from the Canadian tax rate	14	–	–
Income tax recovery	–	–	–

b) Deferred income tax

The significant components of the Corporation's deferred income tax are as follows:

	2022 $	2021 $	2020 $ (Recast – note 2)
Deferred income tax liabilities:			
Intangibles	–	–	–
Deferred income tax assets:			
Non-capital losses	–	–	–
Net deferred income tax liability	–	–	–

(Expressed in thousands of United States dollars except for share and per share amounts)

15 Deferred income taxes (continued)

b) Deferred income tax (continued)

The following reflects the balance of temporary differences for which no deferred income tax asset has been recognized:

	2022 $	2021 $	2020 $ (Recast – note 2)
Non-capital losses	126,022	108,935	82,124
SR&ED expenditures	45,672	39,072	29,460
Non-refundable investment tax credits	7,481	5,189	5,053
Deductible share issuance costs	3,114	4,829	3,151
Long-term debt	26,697	18,248	6,707
Lease obligation	319	395	272
Property and equipment	592	78	(178)

c) Non-capital losses

As at December 31, 2022, the Corporation had approximately $126,022 in losses available to reduce future taxable income. The benefit of these losses has not been recorded in the accounts as realization is not considered probable. These losses may be claimed no later than:

	$
For the year ending December 31, 2025	738
2026	812
2027	1,085
2028	1,307
2029	487
2030	1,949
2031	3,758
2032	3,034
2033	3,248
2034	2,717
2035	4,141
2036	3,787
2037	7,020
2038	9,922
2039	12,941
2040	17,998
2041	20,486
2042	30,592
	126,022

(Expressed in thousands of United States dollars except for share and per share amounts)

15 Deferred income taxes (continued)

d) Scientific research and experimental development expenditures

The Corporation has approximately $45,672 of unclaimed SR&ED expenditures, which may be carried forward indefinitely and used to reduce taxable income in future years. The potential income tax benefits associated with the unclaimed SR&ED expenditures have not been recognized in the accounts as realization is not considered probable.

e) Non -refundable investment tax credits

The Corporation also has approximately $7,481 in non-refundable federal investment tax credits which may be carried forward to reduce taxes payable. These tax credits will be fully expired by 2040. The benefit of these tax credits has not been recorded in the accounts as realization is not considered probable.

16 Capital Management

The Corporation views capital as the sum of its cash and cash equivalents, long-term debt and equity. The Corporations' objectives when managing capital is to safeguard its ability to continue as a going concern in order to provide an adequate return to shareholders and maintain a sufficient level of funds to finance its research and development activities, general and administrative expenses, working capital and overall capital expenditures, including those associated with patents and trademarks. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares, issue new debt, acquire or dispose of assets, all of which are subject to market conditions and the terms of the underlying third party agreements. The Corporation is not subject to any regulatory capital requirements imposed.

	2022 $	2021 $
Total long-term debt	27,458	18,002
Less: Cash and cash equivalents	(21,223)	(38,616)
Net debt	6,235	(20,614)
Equity	(6,626)	21,542
Total capital	(391)	928

The Corporation is in compliance with its debt covenants.

(Expressed in thousands of United States dollars except for share and per share amounts)

17 Financial instruments

Fair value of financial instruments

Financial instruments are defined as a contractual right or obligation to receive or deliver cash on another financial asset. The following table sets out the approximate fair values of financial instruments as at the consolidated statements of financial position date with relevant comparatives:

	December 31, 2022		December 31, 2021	
	Carrying value $	Fair value $	Carrying value $	Fair value $
Cash and cash equivalents	21,223	21,223	38,616	38,616
Amounts receivable	29	29	10	10
Accounts payable, accrued and other liabilities	9,037	9,037	8,589	8,589
Warrant liabilities	16	16	318	318
Long-term debt	27,458	27,458	18,002	18,002

Assets and liabilities, such as commodity taxes, that are not contractual and that arise as a result of statutory requirements imposed by governments, do not meet the definition of financial assets or financial liabilities and are, therefore, excluded from amounts receivable and accounts payable.

Fair value of items, which are short-term in nature, have been deemed to approximate their carrying value. The above noted fair values, presented for information only, reflect conditions that existed only as at December 31, 2022, and do not necessarily reflect future value or amounts which the Corporation might receive if it were to sell some or all of its assets to a willing buyer in a free and open market.

The fair value of long-term debt is estimated based on the expected interest rates for similar borrowings by the Corporation at the consolidated statements of financial position dates. For the period presented, the fair value is estimated to be equal to the carrying amount.

Risk management

The Corporation, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: interest rate risk, credit risk, liquidity risk and currency risk. Management is responsible for setting acceptable levels of risk and reviewing risk management activities as necessary.

17 Financial instruments (continued)

Risk management (continued)

a) Interest rate risk

The Corporation is exposed to interest rate fluctuations on the venture loan with Horizon Technology Finance Corporation and Powerscourt Investments XXV, LP for which amounts are subject to The Wall Street Journal prime rate plus 5.75%, with an interest rate floor at 3.25% for the prime rate. The Corporation does not expect further significant increases in The Wall Street Journal prime rate and has decided to not actively manage the risk. Based on currently outstanding loans an increase (decrease) of 100 basis points in interest prime rate at the reporting date would have resulted in a non-significant impact on earnings or loss. This analysis assumes that all other variables remain constant. Other than the interest rate fluctuations on the Venture loan described above, the Corporation has limited exposure to interest rate risk on its lending and borrowing activities. The Corporation has a loan with a fixed interest rate of 8% per annum resulting in interest payments in 2022 of $13. The Corporation also has an interest-free loan that is repayable over 84 months, resulting in required principal debt payments in fiscal 2022 of $49. The remaining outstanding debt as at December 31, 2022 is interest-free only becoming repayable when revenues are earned.

b) Credit risk

Credit risk arises from cash and cash equivalents and amounts receivable. The Corporation invests excess cash in high-interest savings accounts or in highly liquid temporary investments of Schedule 1 Canadian Banks. The credit risk of cash and cash equivalents is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The total of amounts receivable disclosed in the consolidated statements of financial position as at December 31, 2022 of $727 (2021 - $602) is comprised mainly of current period advances due to the Corporation for taxes recoverable. If required, the balance is shown net of allowances for bad debt, estimated by management based on prior experience and their assessment of the current economic environment.

Historically, there have been no collection issues and the Corporation does not believe it is subject to any significant concentration of credit risk.

c) Liquidity risk

Liquidity risk represents the possibility that the Corporation may not be able to gather sufficient cash resources when required and under reasonable conditions to meet its financial obligations.

Since the Corporation's inception, operations have been financed through the sale of shares, issuance of debt, revenue and cost-recoveries from license agreements, interest income on funds available for investment, government assistance and income tax credits. The Corporation has incurred significant operating losses and negative cash flows from operations since inception and has an accumulated deficit of $192,911 as at December 31, 2022.

(Expressed in thousands of United States dollars except for share and per share amounts)

17 Financial instruments (continued)

Risk Management (continued)

While the Corporation has $21,223 in cash and cash equivalents at December 31, 2022, it continues to have an ongoing need for substantial capital resources to research and develop, commercialize and manufacture its products and technologies. The Corporation is currently not yet receiving a significant ongoing revenue stream from its license agreements, nor can it be certain that it will receive significant revenue from these agreements before additional cash is required. As a result, there can be no assurance that the Corporation will have sufficient capital to fund its ongoing operations, and develop or commercialize any of its products without future financing.

The following table outlines the contractual maturities of the Corporation's liabilities, including most likely timing of repayments of long-term debt that is repayable based on a percentage of revenues.

The long-term debt is comprised of the contributions received described in note 9, less amounts that have been repaid as at December 31, 2022:

	Total $	Year 1 $	Years 2 to 3 $	Years 4 to 5 $	After 5 years $
Accounts payable and other liabilities	9,037	9,037	–	–	–
Short-term and low value leases	30	13	12	5	–
Lease obligation	1,754	434	843	409	68
Long-term debt	38,656	3,418	28,012	68	7,158
	49,477	12,902	28,867	482	7,226

The above amounts include interest payments, where applicable.

d) Currency risk

The Corporation incurs some revenue and expenses and holds on some cash denominated in Canadian dollars and, as such, is subject to fluctuations as a result of foreign exchange rate variation. The Corporation does not have in place any formal tools to manage its foreign exchange risk.

Foreign exchange loss of $203 for the year ended December 31, 2022 (2021 - $110 gain; 2020 - $996 loss) is included in general and administrative expenses. If the foreign exchange had been 1% higher/lower, with all other variables held constant, it would have had an immaterial impact on the foreign exchange gain/loss.

18 Commitments

On July 12, 2010, the Corporation entered into a License Agreement with Merck KGaA to in-license EMD 640744, an investigational therapeutic survivin-based cancer antigen designed to target multiple solid tumors and hematological malignancies. Should the Corporation's research using these antigens continue and prove successful through clinical trials and on to commercialization, the Corporation would be required to pay certain future milestones and royalty payments along the way. The likelihood and timing of these payments is not known at this time.

(Expressed in thousands of United States dollars except for share and per share amounts)

19 Expense by nature

	2022 $	2021 $	2020 $ (recast – note 2)
Research and development expenditures, including clinical costs	14,165	16,105	14,914
Salaries, wages and benefits	11,269	10,549	6,991
Professional and consulting fees	2,570	2,499	1,856
Insurance	3,196	3,952	2,649
Loan interest	2,336	239	197
Office, rent and telecommunications	1,161	906	567
Stock-based compensation (non-cash)	1,580	1,742	750
Marketing, communications and investor relations	1,046	1,368	1,178
Depreciation	989	551	384
Other	663	499	317
DSU compensation (non-cash)	608	584	401
Travel	481	216	49
Foreign exchange loss (gain)	203	(110)	996
Accreted interest and valuation adjustments (non-cash)	(172)	907	27
Government assistance	(207)	(1,631)	(3,724)
Research and development tax credits	(1,568)	(1,599)	(1,268)
	38,320	36,777	26,284

20 Compensation of key management

Key management includes the Corporation’s Directors, Chief Executive Officer, Chief Accounting Officer, Chief Scientific Officer and former Chief Financial Officer. Compensation awarded to key management is summarized as follows:

	2022 $	2021 $	2020 $ (recast - note 2)
Salaries and other benefits	1,944	3,079	1,720
Stock-based compensation (non-cash)	1,535	1,680	961
	3,479	4,759	2,681

21 Share Consolidation

On December 7, 2022, the Corporation completed a share consolidation on the basis of one new common share for every 10 currently outstanding shares. Effective at the opening of trading on December 13, 2022, the Corporation’s common shares commenced trading on a consolidated basis.

22 Subsequent event

Subsequent to December 31, 2022, the remaining 2,125,000 pre-funded warrants granted in the December 2022 Offering were exercised.

<u>**Exhibit C**</u>

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched:	Nova Scotia
Type of Search:	Debtors (Enterprise)
Search Criteria:	IMV Inc.
Date and Time of Search (YYYY-MM-DD hh:mm)**:**	2023-04-27 11:49 (Atlantic)
Transaction Number:	24289177
Searched By:	S185207

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
*	*	21613476	IMV INC.	Dartmouth
*	*	35573690	IMV INC.	DARTMOUTH
	*	35573724	IMV USA INC.	DARTMOUTH

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk ('*') in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 2 registration(s) contained information that **exactly** matched the search criteria you specified.

- 1 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to **www.acol.ca**

Registration Details for Registration Number: 21613476

Province or Territory: Nova Scotia
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	21613476	2013-08-06 10:10	Infinity	106763
Amendment	30832760	2019-03-12 15:37	Infinity	13-0349
Amendment	30916019	2019-03-29 09:28	Infinity	13-0349

As listed in the Registration History section above, this registration has been the subject of an Amendment or Global Change to add or delete information. The following registration details provide the registration number for the Amendment that added or deleted information. If no "added by" or "deleted by" registration number is provided, the information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Immunovaccine Technologies Inc.
1344 Summer Street
Suite 412
Halifax NS B3H 0A8
Canada

Type: Enterprise
Immunovaccine Inc.
1344 Summer Street
Suite 412
Halifax NS B3H 0A8
Canada

The Debtor below was added by registration number 30832760
Type: Enterprise
IMV INC.
130 Eileen Stubbs Drive, Suite 19
Dartmouth NS B3B 2C4
Canada

Secured Parties

The Secured Party below was deleted by registration number 30916019
~~Type: Enterprise~~
~~Her Majesty the Queen in Right of the Province of Nova Scotia, as represented by the Minister of Economic and Rural Development and Tourism~~
~~Osborne, Bruce~~
~~Ivestment Manager (DOJ File #13-0349)~~
~~c/o Heather Goodfellow~~
~~Department of Justice, 4th Floor~~
~~5151 Terminal Road, Box 7~~
~~Halifax NS B3J 2L6~~
~~Canada~~

The Secured Party below was added by registration number 30916019
Type: Enterprise
Her Majesty the Queen in Right of the Province of Nova Scotia, as represented by the Minister of Business
c/o Chisholm, Christine
Senior Account Manager (Nova Scotia Business Inc.)
7th floor, 1800 Argyle Street
(P.O. Box 2374, Halifax, NS B3J 3E4)
Halifax NS B3J 3N8
Canada
Phone #: 902-424-6887
Fax #: 902-424-6823

General Collateral

A security interest is taken in all of the Debtors' present and after-acquired personal property.

Registration Details for Registration Number: 35573690

Province or Territory: Nova Scotia
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	35573690	2021-12-15 13:46	2026-12-15	49-169454-GT1644

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
IMV INC.
130 EILEEN STUBBS AVENUE, SUITE 19
DARTMOUTH NS B3B2C4
Canada

Secured Parties

Type: Enterprise
HORIZON TECHNOLOGY FINANCE CORPORATION, AS COLLATERAL AGENT
312 FARMINGTON AVENUE
FARMINGTON CT 06032
USA

Type: Enterprise
HORIZON TECHNOLOGY FINANCE CORPORATION
312 FARMINGTON AVENUE
FARMINGTON CT 06032
USA

Type: Enterprise
POWERSCOURT INVESTMENTS XXV, LP
1251 AVENUE OF THE AMERICAS
NEW YORK NY 10020
USA

General Collateral

EXCEPT AS EXPRESSLY LIMITED IN THIS GENERAL COLLATERAL DESCRIPTION, ALL OF THE DEBTOR'S PRESENT, AFTER-ACQUIRED AND FUTURE UNDERTAKING AND PERSONAL PROPERTY OF ANY NATURE AND KIND INCLUDING, WITHOUT LIMITATION, GOODS (INCLUDING EQUIPMENT AND INVENTORY OF EVERY NATURE AND KIND), DOCUMENTS OF TITLE, CHATTEL PAPER, INVESTMENT PROPERTY, INSTRUMENTS, MONEY, INTANGIBLES AND ACCOUNTS (INCLUDING ALL PRESENT AND FUTURE TAX CREDITS, TAX REFUNDS AND OTHER SUMS OF A SIMILAR NATURE DUE TO THE DEBTOR

BY ANY FISCAL AUTHORITY).

ALL BOOKS, RECORDS, FILES, PAPERS, DISKS, DOCUMENTS AND OTHER REPOSITORIES OF DATA RECORDING IN ANY FORM OR MEDIUM, EVIDENCING OR RELATING TO COLLATERAL.

ALL ACCESSIONS TO AND PROCEEDS OF ANY OF THE FOREGOING OF ANY NATURE AND KIND INCLUDING GOODS, DOCUMENTS OF TITLE, CHATTEL PAPER, INVESTMENT PROPERTY, INSTRUMENTS, MONEY, INTANGIBLES AND ACCOUNTS.

NOTWITHSTANDING THE FOREGOING, THE COLLATERAL SUBJECT TO THIS REGISTRATION SHALL NOT INCLUDE RIGHTS, PRIORITIES AND PRIVILEGES RELATING TO INTELLECTUAL PROPERTY BUT, FOR GREATER CERTAINTY, SHALL INCLUDE ALL ACCOUNTS AND PROCEEDS OF INTELLECTUAL PROPERTY.

Additional Information

PURSUANT TO THE TERMS OF A CERTAIN NEGATIVE PLEDGE ARRANGEMENT WITH THE SECURED PARTIES, DEBTOR HAS AGREED NOT TO ENCUMBER ANY OF ITS INTELLECTUAL PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF THE SECURED PARTIES.

Registration Details for Registration Number: 35573724

Province or Territory: Nova Scotia
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	35573724	2021-12-15 13:49	2026-12-15	49-169454-GT1644

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
IMV USA INC.
130 EILEEN STUBBS AVENUE, SUITE 19
DARTMOUTH NS B3B2C4
Canada

Secured Parties

Type: Enterprise
HORIZON TECHNOLOGY FINANCE CORPORATION, AS COLLATERAL AGENT
312 FARMINGTON AVENUE
FARMINGTON CT 06032
USA

Type: Enterprise
HORIZON TECHNOLOGY FINANCE CORPORATION
312 FARMINGTON AVENUE
FARMINGTON CT 06032
USA

Type: Enterprise
POWERSCOURT INVESTMENTS XXV, LP
1251 AVENUE OF THE AMERICAS
NEW YORK NY 10020
USA

General Collateral

EXCEPT AS EXPRESSLY LIMITED IN THIS GENERAL COLLATERAL DESCRIPTION, ALL OF THE DEBTOR'S PRESENT, AFTER-ACQUIRED AND FUTURE UNDERTAKING AND PERSONAL PROPERTY OF ANY NATURE AND KIND INCLUDING, WITHOUT LIMITATION, GOODS (INCLUDING EQUIPMENT AND INVENTORY OF EVERY NATURE AND KIND), DOCUMENTS OF TITLE, CHATTEL PAPER, INVESTMENT PROPERTY, INSTRUMENTS, MONEY, INTANGIBLES AND ACCOUNTS (INCLUDING ALL PRESENT AND FUTURE TAX CREDITS, TAX REFUNDS AND OTHER SUMS OF A SIMILAR NATURE DUE TO THE DEBTOR BY ANY FISCAL AUTHORITY).

ALL BOOKS, RECORDS, FILES, PAPERS, DISKS, DOCUMENTS AND OTHER REPOSITORIES OF DATA RECORDING IN ANY FORM OR MEDIUM, EVIDENCING OR RELATING TO COLLATERAL.

ALL ACCESSIONS TO AND PROCEEDS OF ANY OF THE FOREGOING OF ANY NATURE AND KIND INCLUDING GOODS, DOCUMENTS OF TITLE, CHATTEL PAPER, INVESTMENT PROPERTY, INSTRUMENTS, MONEY, INTANGIBLES AND ACCOUNTS.

NOTWITHSTANDING THE FOREGOING, THE COLLATERAL SUBJECT TO THIS REGISTRATION SHALL NOT INCLUDE RIGHTS, PRIORITIES AND PRIVILEGES RELATING TO INTELLECTUAL PROPERTY BUT, FOR GREATER CERTAINTY, SHALL INCLUDE ALL ACCOUNTS AND PROCEEDS OF INTELLECTUAL PROPERTY.

Additional Information

PURSUANT TO THE TERMS OF A CERTAIN NEGATIVE PLEDGE ARRANGEMENT WITH THE SECURED PARTIES, DEBTOR HAS AGREED NOT TO ENCUMBER ANY OF ITS INTELLECTUAL PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF THE SECURED PARTIES.

END OF REPORT

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched:	Nova Scotia
Type of Search:	Debtors (Enterprise)
Search Criteria:	Immunovaccine Technologies Inc.
Date and Time of Search (YYYY-MM-DD hh:mm)**:**	2023-04-27 11:49 (Atlantic)
Transaction Number:	24289183
Searched By:	S185207

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
*	*	21613476	Immunovaccine Technologies Inc.	Halifax
*	*	35573708	IMMUNOVACCINE TECHNOLOGIES INC.	DARTMOUTH
	*	30079016	IMMUNOVACCINE TECHNOLOGIES INC	DARTMOUTH

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk ('*') in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 2 registration(s) contained information that **exactly** matched the search criteria you specified.

- 1 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to **www.acol.ca**

Registration Details for Registration Number: 21613476

Province or Territory: Nova Scotia
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	21613476	2013-08-06 10:10	Infinity	106763
Amendment	30832760	2019-03-12 15:37	Infinity	13-0349
Amendment	30916019	2019-03-29 09:28	Infinity	13-0349

As listed in the Registration History section above, this registration has been the subject of an Amendment or Global Change to add or delete information. The following registration details provide the registration number for the Amendment that added or deleted information. If no "added by" or "deleted by" registration number is provided, the information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Immunovaccine Technologies Inc.
1344 Summer Street
Suite 412
Halifax NS B3H 0A8
Canada

Type: Enterprise
Immunovaccine Inc.
1344 Summer Street
Suite 412
Halifax NS B3H 0A8
Canada

The Debtor below was added by registration number 30832760
Type: Enterprise
IMV INC.
130 Eileen Stubbs Drive, Suite 19
Dartmouth NS B3B 2C4
Canada

Secured Parties

The Secured Party below was deleted by registration number 30916019
~~Type: Enterprise~~
~~Her Majesty the Queen in Right of the Province of Nova Scotia, as represented by the Minister of Economic and Rural Development and Tourism~~
~~Osborne, Bruce~~
~~Ivestment Manager (DOJ File #13-0349)~~
~~c/o Heather Goodfellow~~
~~Department of Justice, 4th Floor~~
~~5151 Terminal Road, Box 7~~
~~Halifax NS B3J 2L6~~
~~Canada~~

The Secured Party below was added by registration number 30916019
Type: Enterprise
Her Majesty the Queen in Right of the Province of Nova Scotia, as represented by the Minister of Business
c/o Chisholm, Christine
Senior Account Manager (Nova Scotia Business Inc.)
7th floor, 1800 Argyle Street
(P.O. Box 2374, Halifax, NS B3J 3E4)
Halifax NS B3J 3N8
Canada
Phone #: 902-424-6887
Fax #: 902-424-6823

General Collateral

A security interest is taken in all of the Debtors' present and after-acquired personal property.

Registration Details for Registration Number: 35573708

Province or Territory: Nova Scotia
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	35573708	2021-12-15 13:48	2026-12-15	49-169454-GT1644

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
IMMUNOVACCINE TECHNOLOGIES INC.
130 EILEEN STUBBS AVENUE, SUITE 19
DARTMOUTH NS B3B2C4
Canada

Secured Parties

Type: Enterprise
HORIZON TECHNOLOGY FINANCE CORPORATION, AS COLLATERAL AGENT
312 FARMINGTON AVENUE
FARMINGTON CT 06032
USA

Type: Enterprise
HORIZON TECHNOLOGY FINANCE CORPORATION
312 FARMINGTON AVENUE
FARMINGTON CT 06032
USA

Type: Enterprise
POWERSCOURT INVESTMENTS XXV, LP
1251 AVENUE OF THE AMERICAS
NEW YORK NY 10020
USA

General Collateral

EXCEPT AS EXPRESSLY LIMITED IN THIS GENERAL COLLATERAL DESCRIPTION, ALL OF THE DEBTOR'S PRESENT, AFTER-ACQUIRED AND FUTURE UNDERTAKING AND PERSONAL PROPERTY OF ANY NATURE AND KIND INCLUDING, WITHOUT LIMITATION, GOODS (INCLUDING EQUIPMENT AND INVENTORY OF EVERY NATURE AND KIND), DOCUMENTS OF TITLE, CHATTEL PAPER, INVESTMENT PROPERTY, INSTRUMENTS, MONEY, INTANGIBLES AND ACCOUNTS (INCLUDING ALL PRESENT AND FUTURE TAX CREDITS, TAX REFUNDS AND OTHER SUMS OF A SIMILAR NATURE DUE TO THE DEBTOR

BY ANY FISCAL AUTHORITY).

ALL BOOKS, RECORDS, FILES, PAPERS, DISKS, DOCUMENTS AND OTHER REPOSITORIES OF DATA RECORDING IN ANY FORM OR MEDIUM, EVIDENCING OR RELATING TO COLLATERAL.

ALL ACCESSIONS TO AND PROCEEDS OF ANY OF THE FOREGOING OF ANY NATURE AND KIND INCLUDING GOODS, DOCUMENTS OF TITLE, CHATTEL PAPER, INVESTMENT PROPERTY, INSTRUMENTS, MONEY, INTANGIBLES AND ACCOUNTS.

NOTWITHSTANDING THE FOREGOING, THE COLLATERAL SUBJECT TO THIS REGISTRATION SHALL NOT INCLUDE RIGHTS, PRIORITIES AND PRIVILEGES RELATING TO INTELLECTUAL PROPERTY BUT, FOR GREATER CERTAINTY, SHALL INCLUDE ALL ACCOUNTS AND PROCEEDS OF INTELLECTUAL PROPERTY.

Additional Information

PURSUANT TO THE TERMS OF A CERTAIN NEGATIVE PLEDGE ARRANGEMENT WITH THE SECURED PARTIES, DEBTOR HAS AGREED NOT TO ENCUMBER ANY OF ITS INTELLECTUAL PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF THE SECURED PARTIES.

Registration Details for Registration Number: 30079016

Province or Territory: Nova Scotia
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	30079016	2018-09-11 15:59	2023-09-11	731845

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
IMMUNOVACCINE TECHNOLOGIES INC
FLOOR 130 SUITE 19
EILEEN STUBBS AVENUE AV N
DARTMOUTH NS B3B2C4
CANADA

Secured Parties

Type: Enterprise
DELL FINANCIAL SERVICES CANADA LIMITED
155 GORDON BAKER RD, STE 501
NORTH YORK ON M2H 3N5
CANADA

General Collateral

ALL DELL AND NON DELL COMPUTER EQUIPMENT AND PERIPHERALS WHEREVER LOCATED HERETOFORE OR HEREAFTER LEASED TO DEBTOR BY SECURED PARTY PURSUANT TO AN EQUIPMENT LEASE TOGETHER WITH ALL SUBSTITUTIONS, ADDITIONS, ACCESSIONS AND REPLACEMENTS THERETO AND THEREOF NOW AND HEREAFTER INSTALLED IN, AFFIXED TO, OR USED IN CONJUNCTION WITH SUCH EQUIPMENT AND PROCEEDS THEREOF TOGETHER WITH ALL RENTAL OR INSTALLMENT PAYMENTS, INSURANCE PROCEEDS, OTHER PROCEEDS AND PAYMENTS DUE OR TO BECOME DUE AND ARISING FROM OR RELATING TO SUCH EQUIPMENT. PROCEEDS:ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

END OF REPORT

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched:	Nova Scotia
Type of Search:	Debtors (Enterprise)
Search Criteria:	IMV USA Inc.
Date and Time of Search (YYYY-MM-DD hh:mm)**:**	2023-04-27 11:50 (Atlantic)
Transaction Number:	24289189
Searched By:	S185207

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
*	*	35573724	IMV USA INC.	DARTMOUTH

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk ('*') in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 1 registration(s) contained information that **exactly** matched the search criteria you specified.

- 0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to **www.acol.ca**

Registration Details for Registration Number: 35573724

Province or Territory: Nova Scotia
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	35573724	2021-12-15 13:49	2026-12-15	49-169454-GT1644

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
IMV USA INC.

130 EILEEN STUBBS AVENUE, SUITE 19
DARTMOUTH NS B3B2C4
Canada

Secured Parties

Type: Enterprise
HORIZON TECHNOLOGY FINANCE CORPORATION, AS COLLATERAL AGENT
312 FARMINGTON AVENUE
FARMINGTON CT 06032
USA

Type: Enterprise
HORIZON TECHNOLOGY FINANCE CORPORATION
312 FARMINGTON AVENUE
FARMINGTON CT 06032
USA

Type: Enterprise
POWERSCOURT INVESTMENTS XXV, LP
1251 AVENUE OF THE AMERICAS
NEW YORK NY 10020
USA

General Collateral

EXCEPT AS EXPRESSLY LIMITED IN THIS GENERAL COLLATERAL DESCRIPTION, ALL OF THE DEBTOR'S PRESENT, AFTER-ACQUIRED AND FUTURE UNDERTAKING AND PERSONAL PROPERTY OF ANY NATURE AND KIND INCLUDING, WITHOUT LIMITATION, GOODS (INCLUDING EQUIPMENT AND INVENTORY OF EVERY NATURE AND KIND), DOCUMENTS OF TITLE, CHATTEL PAPER, INVESTMENT PROPERTY, INSTRUMENTS, MONEY, INTANGIBLES AND ACCOUNTS (INCLUDING ALL PRESENT AND FUTURE TAX CREDITS, TAX REFUNDS AND OTHER SUMS OF A SIMILAR NATURE DUE TO THE DEBTOR BY ANY FISCAL AUTHORITY).

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NOTWITHSTANDING THE FOREGOING, THE COLLATERAL SUBJECT TO THIS REGISTRATION SHALL NOT INCLUDE RIGHTS, PRIORITIES AND PRIVILEGES RELATING TO INTELLECTUAL PROPERTY BUT, FOR GREATER CERTAINTY, SHALL INCLUDE ALL ACCOUNTS AND PROCEEDS OF INTELLECTUAL PROPERTY.

Additional Information

PURSUANT TO THE TERMS OF A CERTAIN NEGATIVE PLEDGE ARRANGEMENT WITH THE SECURED PARTIES, DEBTOR HAS AGREED NOT TO ENCUMBER ANY OF ITS INTELLECTUAL PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF THE SECURED PARTIES.

END OF REPORT

Registre des droits personnels et réels mobiliers
Québec

Date, heure, minute de certification : **2023-04-27 09:34**
Critère de recherche Nom d'organisme : Immunovaccine Technologies Inc.

Critère de sélection Nom d'organisme : IMMUNOVACCINE TECHNO... Code Postal : B3B2C4
Fiche 001 - Détail de l'inscription 1 (de 1)

INSCRIPTION	DATE-HEURE-MINUTE	DATE EXTRÊME D'EFFET
21-1354857-0002	2021-12-15 09:00	2031-12-14

HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION

PARTIES

Titulaire

HORIZON TECHNOLOGY FINANCE CORPORATION
312 Farmington Avenue, Farmington, Connecticut, 06032, USA

Constituant

IMMUNOVACCINE TECHNOLOGIES INC.
130 Eileen Stubbs Avenue, Suite 19, Dartmouth, Nova Scotia B3B 2C4

BIENS

The Constituant hypothecates in favour of the Titulaire as hypothecary representative under Article 2692 of the Civil code of Québec for the Lenders (as defined in the Acte Constitutif) all of its present and after-acquired movable property, corporeal and incorporeal, of any nature whatsoever and wheresoever situate, but excluding Intellectual Property, the whole including, without limitation, the following universalities of present and future movable property of the Constituant:

(a)Inventory;

(b)Claims namely: (i)Claims, Receivables and Book Debts; (ii)Rights of Action; (iii) Accessories; (iv)Movable Property;

(c)Instruments;

(d)Equipment and Other Property;

(e)Contracts;

(f)Permits;

(g)Documents of Title;

(h)Insurance;

(i)Securities;

(j)Fruits and Revenues;

(k)Books and Records and Other Documents; and

(l)Replacement Property.

As such terms are more fully described in the Acte Constitutif.

MENTIONS

Somme de l'hypothèque

$45,000,000 in lawful currency of Canada, with interest thereon at the rate of 25% per annum

Référence à l'acte constitutif

Forme de l'acte : Notarié en minute
Date : 2021-12-14
Lieu : Montréal
N° de minute : 4866
Nom du notaire : Angelo FEBBRAIO, notaire

Autres mentions :

The Titulaire hereby authorizes the Constituant to collect and recover all Claims (as defined in the Acte Constitutif) in the ordinary course of business of the Constituant and for the purpose of carrying on the same.

AVIS D'ADRESSE

N° 045752

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

CT Corporation
Erin Roberson
4400 Easton Commons Way, Suite 125
Columbus, OH 43219

Delaware Department of State
U.C.C. Filing Section
Filed: 04:19 PM 12/17/2021
U.C.C. Initial Filing No: 2021 0357151

Service Request No: 20214143048

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME: **IMV USA INC.**

OR

1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
1c. MAILING ADDRESS	**CITY**	**STATE**	**POSTAL CODE**	**COUNTRY**
10 Rogers Street, Suite 120	Cambridge	MA	20142-1288	USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
2c. MAILING ADDRESS	**CITY**	**STATE**	**POSTAL CODE**	**COUNTRY**

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME: **HORIZON TECHNOLOGY FINANCE CORPORATION, AS COLLATERAL AGENT**

OR

3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
3c. MAILING ADDRESS	**CITY**	**STATE**	**POSTAL CODE**	**COUNTRY**
312 FARMINGTON AVENUE	FARMINGTON	CT	06032	USA

4. COLLATERAL: This financing statement covers the following collateral:

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR. NOTWITHSTANDING THE FOREGOING, THE COLLATERAL DOES NOT INCLUDE ANY INTELLECTUAL PROPERTY OF THE DEBTOR PROVIDED, HOWEVER, THE COLLATERAL SHALL INCLUDE ALL ACCOUNTS AND ALL PROCEEDS OF INTELLECTUAL PROPERTY. PURSUANT TO THE TERMS OF A CERTAIN NEGATIVE PLEDGE ARRANGEMENT WITH SECURED PARTY, DEBTOR HAS AGREED NOT TO ENCUMBER ANY OF ITS INTELLECTUAL PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF THE SECURED PARTY.

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and Instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box: ☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box: ☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:
File with: Delaware - Secretary of State Ref no. 169454-GT1644

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here ☐

9a. ORGANIZATION'S NAME
IMV USA INC.

OR 9b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR 10b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

10c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

11. ☑ ADDITIONAL SECURED PARTY'S NAME or ☐ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME
HORIZON TECHNOLOGY FINANCE CORPORATION

OR 11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
312 FARMINGTON AVENUE	**FARMINGTON**	**CT**	**06032**	**USA**

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT:
☐ covers timber to be cut ☐ covers as-extracted collateral ☐ is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:

17. MISCELLANEOUS:

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here ☐

9a. ORGANIZATION'S NAME
IMV USA INC.

OR 9b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR 10b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

10c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

11. ☑ ADDITIONAL SECURED PARTY'S NAME or ☐ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME
POWERSCOURT INVESTMENTS XXV, LP

OR 11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
1251 AVENUE OF THE AMERICAS	**NEW YORK**	**NY**	**10020**	**USA**

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT:
☐ covers timber to be cut ☐ covers as-extracted collateral ☐ is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:

17. MISCELLANEOUS:

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
LEGAL DEPARTMENT (860)676-8654

B. E-MAIL CONTACT AT FILER (optional)
LUCIA@HORIZONTECHFINANCE.COM

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

HORIZON TECHNOLOGY FINANCE
312 FARMINGTON AVENUE
FARMINGTON, CT 06032
US

Delaware Department of State
U.C.C. Filing Section
Filed: 03:37 PM 01/25/2022
U.C.C. Initial Filing No: 2021 0357151
Amendment No: 2022 0656389
Service Request No: 20220245382

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER
20210357151

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS
Filer: attach Amendment Addendum (Form UCC3Ad) and provide Debtor's name in item 13

2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Party authorizing this Termination Statement

3. ☑ ASSIGNMENT (full or partial): Provide name of Assignee in item 7a or 7b, and address of Assignee in item 7c and name of Assignor in item 9
For partial assignment, complete items 7 and 9 and also indicate affected collateral in item 8

4. ☐ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

5. ☐ PARTY INFORMATION CHANGE:
Check one of these two boxes:
This Change affects ☐ Debtor or ☐ Secured Party of record
AND Check one of these three boxes to:
☐ CHANGE name and/or address: Complete item 6a or 6b; and item 7a or 7b and item 7c
☐ ADD name: Complete item 7a or 7b, and item 7c
☐ DELETE name: Give record name to be deleted in item 6a or 6b

6. CURRENT RECORD INFORMATION: Complete for Party Information Change - provide only one name (6a or 6b)

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

7. CHANGED OR ADDED INFORMATION: Complete for Assignment or Party Information Change - provide only one name (7a or 7b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

7a. ORGANIZATION'S NAME
POWERSCOURT INVESTMENTS XXV TRUST

OR

7b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
1251 AVENUE OF THE AMERICAS, 50TH FLOOR	NEW YORK	NY	10020	US

8. ☐ COLLATERAL CHANGE: Also check one of these four boxes: ☐ ADD collateral ☐ DELETE collateral ☐ RESTATE covered collateral ☐ ASSIGN collateral
Indicate collateral:

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT: Provide only one name (9a or 9b) (name of Assignor, if this is an Assignment)
If this is an Amendment authorized by a DEBTOR, check here ☐ and provide name of authorizing Debtor

9a. ORGANIZATION'S NAME
POWERSCOURT INVESTMENTS XXV, LP

OR

9b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

10. OPTIONAL FILER REFERENCE DATA:
IMV USA INC.

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
LEGAL DEPARTMENT (860)676-8654

B. E-MAIL CONTACT AT FILER (optional)
LUCIA@HORIZONTECHFINANCE.COM

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

HORIZON TECHNOLOGY FINANCE
312 FARMINGTON AVENUE
FARMINGTON, CT 06032
US

Delaware Department of State
U.C.C. Filing Section
Filed: 04:27 PM 02/03/2022
U.C.C. Initial Filing No: 2021 0357151
Amendment No: 2022 0964700
Service Request No: 20220363740

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER
20210357151

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS
Filer: attach Amendment Addendum (Form UCC3Ad) and provide Debtor's name in item 13

2. ☐ **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Party authorizing this Termination Statement

3. ☐ **ASSIGNMENT** (full or partial): Provide name of Assignee in item 7a or 7b, and address of Assignee in item 7c and name of Assignor in item 9
For partial assignment, complete items 7 and 9 and also indicate affected collateral in item 8

4. ☐ **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

5. ☑ **PARTY INFORMATION CHANGE:**

Check one of these two boxes:
This Change affects ☐ Debtor or ☑ Secured Party of record

AND Check one of these three boxes to:
☐ CHANGE name and/or address: Complete item 6a or 6b; and item 7a or 7b and item 7c
☑ ADD name: Complete item 7a or 7b, and item 7c
☐ DELETE name: Give record name to be deleted in item 6a or 6b

6. **CURRENT RECORD INFORMATION:** Complete for Party Information Change - provide only one name (6a or 6b)

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

7. **CHANGED OR ADDED INFORMATION:** Complete for Assignment or Party Information Change - provide only one name (7a or 7b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

7a. ORGANIZATION'S NAME
HORIZON CREDIT II LLC

OR

7b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
312 FARMINGTON AVENUE	FARMINGTON	CT	06032	US

8. ☐ **COLLATERAL CHANGE:** Also check one of these four boxes: ☐ ADD collateral ☐ DELETE collateral ☐ RESTATE covered collateral ☐ ASSIGN collateral

Indicate collateral:

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT:** Provide only one name (9a or 9b) (name of Assignor, if this is an Assignment)
If this is an Amendment authorized by a DEBTOR, check here ☐ and provide name of authorizing Debtor

9a. ORGANIZATION'S NAME
HORIZON TECHNOLOGY FINANCE CORPORATION, AS COLLATERAL AGENT

OR

9b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

10. OPTIONAL FILER REFERENCE DATA:
IMV USA INC.

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
LEGAL DEPARTMENT (860) 676-8654

B. E-MAIL CONTACT AT FILER (optional)
LUCIA@HORIZONTECHFINANCE.COM

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

HORIZON TECHNOLOGY FINANCE
312 FARMINGTON AVENUE
FARMINGTON, CT 06032
US

Delaware Department of State
U.C.C. Filing Section
Filed: 11:05 AM 06/23/2022
U.C.C. Initial Filing No: 2021 0357151
Amendment No: 2022 5255823
Service Request No: 20222804233

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER
20210357151

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS
Filer: attach Amendment Addendum (Form UCC3Ad) and provide Debtor's name in item 13

2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Party authorizing this Termination Statement

3. ☐ ASSIGNMENT (full or partial): Provide name of Assignee in item 7a or 7b, and address of Assignee in item 7c and name of Assignor in item 9
For partial assignment, complete items 7 and 9 and also indicate affected collateral in item 8

4. ☐ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

5. ☑ PARTY INFORMATION CHANGE:

Check one of these two boxes:
This Change affects ☐ Debtor or ☑ Secured Party of record

AND Check one of these three boxes to:
☐ CHANGE name and/or address: Complete item 6a or 6b; and item 7a or 7b and item 7c
☑ ADD name: Complete item 7a or 7b, and item 7c
☐ DELETE name: Give record name to be deleted in item 6a or 6b

6. CURRENT RECORD INFORMATION: Complete for Party Information Change - provide only one name (6a or 6b)

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

7. CHANGED OR ADDED INFORMATION: Complete for Assignment or Party Information Change - provide only one name (7a or 7b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

7a. ORGANIZATION'S NAME
HORIZON FUNDING I, LLC

OR

7b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
312 FARMINGTON AVENUE	FARMINGTON	CT	06032	US

8. ☐ COLLATERAL CHANGE: Also check one of these four boxes: ☐ ADD collateral ☐ DELETE collateral ☐ RESTATE covered collateral ☐ ASSIGN collateral

Indicate collateral:

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT: Provide only one name (9a or 9b) (name of Assignor, if this is an Assignment)
If this is an Amendment authorized by a DEBTOR, check here ☐ and provide name of authorizing Debtor

9a. ORGANIZATION'S NAME
HORIZON TECHNOLOGY FINANCE CORPORATION, AS COLLATERAL AGENT

OR

9b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

10. OPTIONAL FILER REFERENCE DATA:
IMV USA INC.