Form 39.08

2023 Hfx No.

SUPREME COURT OF NOVA SCOTIA

IN THE MATTER OF: **Application by IMV Inc., Immunovaccine Technologies Inc. and IMV USA Inc. (the "Applicants"), for relief under the *Companies' Creditors Arrangement Act***

AFFIDAVIT

I, Andrew Hall, of the City of Gilette, in the State of New Jersey, make oath and give evidence as follows:

1. This affidavit is made in support of an application by the Debtors / Applicants IMV Inc., Immunovaccine Technologies Inc. ("**IVT**") and IMV USA Inc. ("**IMV USA**" and collectively with IMV Inc. and IVT, "**IMV**" or the "**Applicants**") for an initial order (the "**Initial Order**") and related relief under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**").

2. This affidavit is also made in support of an amended and restated Initial Order (the "**Amended and Restated Initial Order**") that will be sought at a hearing within 10 days of an Initial Order under the CCAA being granted (the "**Comeback Hearing**").

3. I am the Chief Executive Officer of IMV Inc. and have held this position 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 Applicants. As such, I have personal knowledge of the matters deposed to in this Affidavit. Where I have relied on other sources for information, I have specifically referred to such sources and believe them to be true. In preparing this Affidavit, I have consulted with legal, financial and other advisors to, as well as other members of the senior management team of, the Applicants. The Applicants do not waive or intend to waive any applicable privilege by any statement herein.

4. 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.

5. This Affidavit is organized in the following sections:

I. Introduction

6. 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**").

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. IMV 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.

13. 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.

14. 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.

15. 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.

16. The Applicants 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. IMV is entering these proceedings with the objective of implementing one or more transaction(s), as the case may be, which would allow IMV's 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.

17. Alternatively, in the event that no transaction materializes, these CCAA Proceedings (as defined hereinafter) will provide IMV 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 Applicants hope and expect this will not be required, it is critically important given the sensitive nature of the Applicants' business and its importance to their clinical trial participants.

18. As described in greater detail below, the Applicants are seeking, among other relief, the following as part of the Initial Order:

(a) a stay of proceedings staying all proceeding and remedies taken or that might be taken in respect of the Applicants and their respective Directors and Officers (as defined below), or any of their property, except as otherwise set forth in the Initial Order or as otherwise permitted by law (the "**Stay of proceedings**") for an initial period of ten (10) days in accordance with the CCAA (the "**Stay Period**");

(b) the appointment of FTI Canada Consulting Inc. ("**FTI**" or the "**Proposed Monitor**") as monitor of the Applicants in these proceedings (the "**Monitor**");

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

(d) a declaration that Nova Scotia is the "*center of main interest*" of the Applicants and, accordingly, authorizing the Applicants 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 this Court in the context of these proceedings, including, without limitation, orders under Chapter 15 of the United States *Bankruptcy Code* 11 U.S.C. §§ 101-1532 (the "**U.S. Bankruptcy Code**");

(e) the authorization for IMV to pay salary, accrued vacation and a small portion of the severance owed to employees who will be terminated in the context of the CCAA Proceedings and to temporarily maintain their group benefits;

(f) suspending any and all continuous disclosure, reporting and filing obligations of, and audit committee requirements applicable to IMV as a result of its status as a reporting issuer in each of the provinces and territories of Canada subject to Canadian securities laws, rules, regulations and policy statements; and

(g) extending the time limit to hold the annual shareholders' meeting of IMV Inc. until after the conclusion of the CCAA Proceedings (as defined below), subject to further order of this Court.

19. If the proposed Initial Order is granted, the Applicants intend to seek, at the time of the Comeback Hearing, this Court's approval of:

   (a) an increase in the Administration Charge to $1,000,000 and in the Directors' Charge to $550,000;

   (b) a sale and investment solicitation process to solicit offers for a broad range of executable transactions in respect of the business and/or assets of the Applicants;

   (a) a claims process to determine and adjudicate claims against the Applicants and the Applicants' present and former, *de jure* and *de facto*, directors and officers (the "**Directors and Officers**"), which would *inter alia* provide for a reverse claims process for the determination and adjudication of employee claims;

   (b) a key employee retention plan and related KERP Charge (as defined below); and

   (c) an extension of the Stay of proceedings.

II. IMV's Business and Corporate Structure

A. Overview of IMV's Business

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

21. 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.

22. IMV currently employs a total of 58 employees, most of which are located in Canada (48 in Canada, nine in the United States and one employee in France).

23. 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.

24. 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.

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

26. 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.

27. 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.

28. 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[1]

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

30. 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.

31. MVP-S is currently being evaluated by IMV in clinical trials for hematologic and solid

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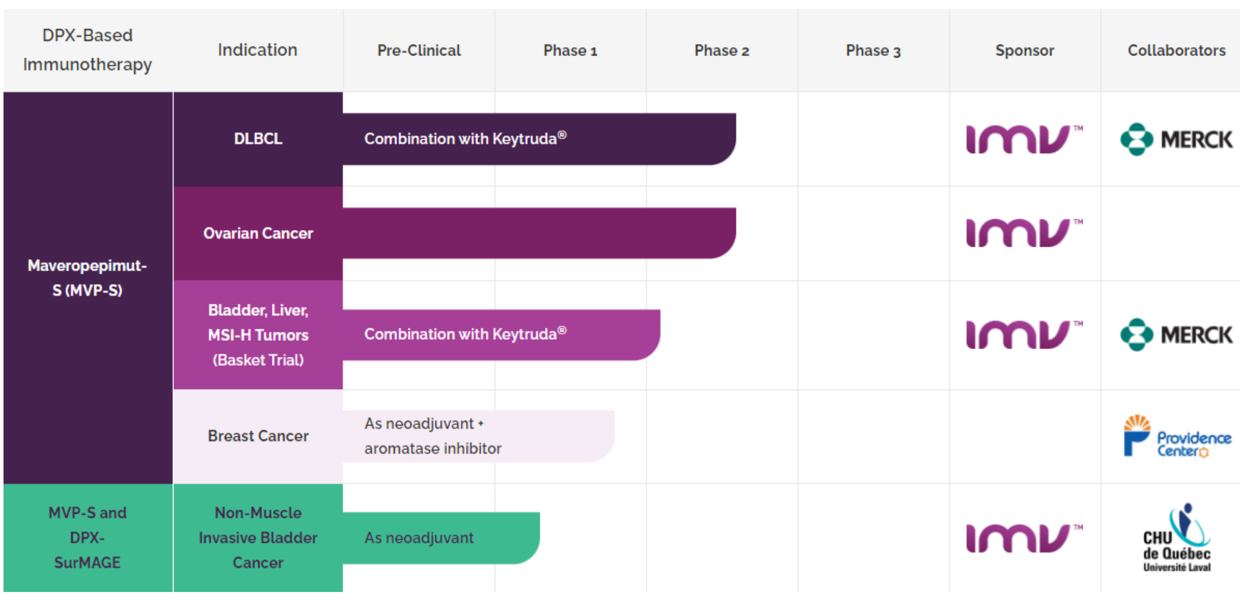
1 The clinical investigation of a drug or biologic is generally divided into three or four phases:

- **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.

cancers, including Diffuse Large B Cell Lymphoma (“**DLBCL**”) as well as ovarian, bladder and breast cancers.

32. 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.

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



(ii) Intellectual Property

34. IMV’s intellectual property portfolio (the “**Intellectual Property**”) 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).

35. 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.

36. 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.

37. 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

38. IMV has 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;

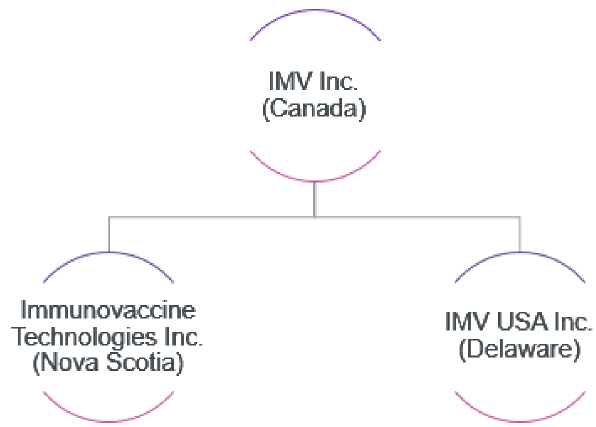
(e) IMV USA CIBC USD Account – this account is used for bi-weekly U.S. payroll and monthly rental payments;

(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

39. IMV is composed of IMV Inc. and its two 100% owned subsidiaries, IVT and IMV USA:



40. 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.

41. IMV Inc. is a listed issuer and its common shares trade on the Toronto Stock Exchange (“**TSX**”) and the Nasdaq Stock Market (“**NASDAQ**”) under the symbol “IMV”. It serves as the parent company and it is used for financing and debt purposes only.

42. 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 Applicants’ employees, except the employees located in the United States. Most of the Applicants’ bank accounts are held by IVT. IVT is the lessor under the Applicants’ leases for the Québec office and Nova Scotia headquarters and laboratories. IVT is also the owner of all laboratory equipment used in the Applicants’ operations.

43. 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 entirely dependent on IMV Inc. and IVT for financing and human resources. IMV USA's sole purpose is to facilitate compensation of employees located in the United States and as such, it employs IMV's 9 employees located in the United Sates (two in Florida, one in Georgia, three in Massachusetts, one in New Jersey and two in Pennsylvania), and retains one consultant based in the United States, the costs of all which are borne by IMV and IVT.

44. 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 intends to vacate and disclaim. It's only assets in the United States are computers, monitors and other electronics.

45. 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) Jennifer Schmitke, Acting Chief Operating Officer;

(e) Linda Barabé, Senior Vice President, Human Resources;

(f) Marie-Eve Charrois, Vice President, Regulatory Affairs and Pharmacovigilange;

(g) Stéphan Fiset, Vice-President, Clinical Research; and

(h) Heather Hirsch, Vice President, Translational Research.

46. 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 IMV's assets are located in Canada;

(b) all of the 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) 50% of IMV's management team and almost all of IMV's employees are located in Canada;

(g) all information technology functions are provided out of Dartmouth, Nova Scotia; and

(h) IMV's treasury management functions, including management of accounts receivable and accounts payable, are in Dartmouth, Nova Scotia.

47. IMV 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

48. 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.

49. 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.

50. 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.

51. 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.

52. Since its inception, IMV 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 had an accumulated deficit of $261.2 million.

53. 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.

54. 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.

55. 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.

56. 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 to my Affidavit as **Exhibit A** is a copy of IMV's 2021 Financial Statements.

57. 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.

58. As at 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. IMV's Current Financial Situation

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

60. IMV's 2022 Financial Statements further demonstrates that the Applicants 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.

61. 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.

62. 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 Applicants 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.

63. Therefore, as the Applicants are insolvent, further to a review of its strategic alternatives, IMV determined that it was in the best interest of all stakeholders to initiate proceedings under the CCAA (the "**CCAA Proceedings**").

IV. IMV's Stakeholders

A. Horizon and Powerscourt

64. 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**").

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

66. As at December 31, 2022, IMV's indebtedness towards the Lenders totalled $33.85 million.

67. 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 to my Affidavit as **Exhibit C** is a copy of 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.

B. ACOA

68. 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.

69. 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.

70. As at December 31, 2022, IMV's indebtedness towards ACOA under the ACOA Loans totalled $10.24 million.

71. 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

72. As of the date hereof, IMV employs 58 employees located in Canada, the United States and France, including 33 employees at its headquarters in Dartmouth, Nova Scotia.

73. 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 at the date hereof, no outstanding wages are owed by IMV to its employees.

74. As at the date hereof, accrued vacation pay owed by IMV to its employees is in the order of $277,000.

D. Clinical Study and EAP Patients

75. As at the date hereof, 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

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

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

78. 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. Other long standing institutional holders with less than 5% ownership include; CTI Life Sciences, Ruffer, and Lumira. The remaining shareholders of IMV are primarily Canadian retail investors.

F. Other Significant Unsecured Creditors

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

80. All amounts owed to the tax authorities by the Applicants are paid in the normal course and therefore, at this time, the Applicants are not aware of any past due amounts owed to tax authorities, which could give rise to any deemed trust.

V. IMV's Proposed Restructuring

81. IMV's proposed restructuring will seek to build on the informal solicitation process conducted by Stonegate prior to the initiation of the CCAA Proceedings. As such, IMV will seek this Court's approval of a sale and investment solicitation process (the "**SISP**") to be implemented immediately following the Comeback Hearing, if approved.

82. IMV also intends to implement a thorough and efficient claims procedure and propose a plan of compromise or arrangement to its creditors. This will allow all stakeholders to maximize recovery and will allow 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.

83. The prospects for these restructuring efforts are significantly enhanced if the Applicants obtain the relief being sought pursuant to the CCAA.

84. If the Court grants the Initial Order sought, the Corporation will seek its provisional recognition by the United States Bankruptcy Court for the District of Delaware under Chapter 15 of the U.S. Bankruptcy Code.

VI. Certain relief sought as part of the Initial Order and the Amended and Restated Initial Order

85. IMV has made significant efforts to pursue a restructuring outside of formal insolvency proceedings. IMV's liquidity position continues to diminish and its 2022 Financial Statements included a going concern note. IMV does not have sufficient liquidity beyond short term to fulfill its current business objectives and maintain going concern operations without commencing a restructuring under the CCAA.

A. Appointment of the Proposed Monitor

86. The Applicants request that this Court appoint FTI, a licensed insolvency trustee, as Monitor.

87. The Proposed Monitor has recently started assisting the Applicants as financial advisor and is familiar with the Applicants' assets, business and personnel. In this role, the Proposed Monitor has obtained significant information in respect of the business, operations and assets of the Applicants, an understanding of the many issues faced by the Applicants and relevant to their restructuring efforts as well as a familiarity with the management and personnel of the Applicants, and has been in contact with Stonegate regarding the informal solicitation process that has been implemented since March 2023.

88. The Proposed Monitor has acquired an extensive and in-depth existing knowledge and understanding of IMV's business. Such in-depth knowledge will be very useful and will enable the Proposed Monitor to assume the role of monitor in the CCAA Proceedings without delay and without the duplication of significant costs that would be required for a different insolvency professional firm to familiarize itself with the business operations and financial situation of the Applicants and the ongoing restructuring process.

89. Given the financial constraints and the need to proceed expeditiously with their restructuring on a cost-effective basis, the Applicants are seeking the appointment of the Proposed Monitor as monitor in the CCAA Proceedings.

90. I am advised by Jeffrey Rosenberg, Senior Managing Director of FTI, and I do believe it to be true that FTI has consented to act as Monitor for the Company should the Court grant the stay of proceedings sought under the CCAA. Attached to my Affidavit as **Exhibit D** is a copy of the Consent to Act provided by FTI.

91. I also understand that the Proposed Monitor will file a pre-filing report with the Court as Proposed Monitor in conjunction with the Applicants' request for relief under the CCAA.

B. Stay of proceedings

92. The Applicants request that all proceedings and remedies taken or that might be taken in respect of the Applicants or any of their property and their Directors and Officers be stayed for an initial period of ten days in accordance with the CCAA.

93. The Stay will preserve the *status quo* during the restructuring and prevent creditors and others from taking any steps to try and better their positions in comparison to other creditors. All stakeholders generally, including creditors, will benefit from the CCAA Proceedings.

C. Administration Charge

94. The Applicants' legal counsel as well as the Proposed Monitor and its legal counsel (collectively, the "**Professionals**") are essential to IMV's restructuring.

95. The Professionals advised IMV that they are willing to provide or continue to provide their professional services during the restructuring only if they are protected by a priority charge on IMV's present and future assets, property and undertakings (the "**Property**"), as security for their respective fees and disbursements relating to the services rendered in respect of IMV in the amount of $350,000 (the "**Administration Charge**"), and only if the amount of such charge is increased to $1,000,000 as part of the Amended and Restated Initial Order.

96. The Administration Charge is proposed to rank after the Lender's security. At the time of the Commeback Hearing, the Applicants will ask that the Administration Charge have priority over all other charges and security interests, including over the claims of the federal and provincial governments subject to a deemed trust.

D. Directors' Charge

97. A restructuring of IMV will only be possible with the continued participation of its Directors and Officers, its management and employees. These members of personnel are essential to a successful restructuring.

98. I am advised by legal counsel to IMV, and without waiving solicitor-client privilege, believe that, in certain circumstances, directors and officers can be held liable for certain obligations of a company owing to employees and government entities, which may include unpaid accrued wages and unpaid accrued vacation pay, together with unremitted sales, goods and services, and harmonized taxes.

99. Although IMV intends to comply with all applicable laws and regulations, including the timely remittance of deductions at source, federal and provincial sales, goods and services, and harmonized taxes, I am advised that the Directors and Officers are nevertheless concerned about the potential liability in the context of the present proceedings.

100. It is my understanding that the Applicants' Directors and Officers are among the potential beneficiaries under a liability insurance policy that covers the Directors and Officers and has an aggregate limit of $20 million. I believe that this coverage may prove insufficient or subject to standard exclusions which could make it difficult to cover all potential liabilities of the Directors and Officers that can arise in the context of a restructuring process, including liabilities for unremitted sales taxes, as well as employee wages and vacations.

101. In light of the foregoing, I, as Chief Executive Officer of IMV, have indicated that our continued service and involvement in the CCAA Proceedings is conditional upon the granting of a priority charge on IMV's Property, as security for the potential liability of the Directors and Officers incurred in such capacity after the date of the Initial Order in the amount of $450,000 (the "**Directors' Charge**"), and only if the amount of such charge is increased to $550,000 as part of the Amended and Restated Initial Order.

102. Such charge is intended so that IMV can benefit from the Directors and Officers' experience throughout the CCAA Proceedings and to allow the Director and Officers to focus their efforts on these restructuring proceedings, for the benefit of all stakeholders.

103. The Directors' Charge is proposed to rank after the Lender's security. At the time of the Commeback Hearing, the Applicants will ask that the Directors' Charge have priority over all other charges and security interests, including over the claims of the federal and provincial governments subject to a deemed trust, except for the Administration Charge.

E. Authorization to Pay Salary, Accrued Vacations and a Small Portion of Severance to Terminated Employees and to Temporarily Maintain Group Benefits

104. As part of the restructuring measures to be implemented and in order to preserve its liquidity, IMV expects that it will have to terminate the employment of some of its employees shortly after the issuance of the Initial Order, if granted.

105. Notwithstanding the foregoing, these employees possess knowledge, information and expertise which may be required in order to ensure a smooth transition with the employees who will be tasked with overseeing the clinical trials during the CCAA Proceedings.

106. As described above, IMV's clinical trials involve patients who are already suffering as a result of their condition and IMV intends to take all the necessary measures to minimize any disruptions to the ongoing clinical trials and the patients. One of these measures is to ensure the smooth transition from the employees currently overseeing the clinical trials to those who will do so during the CCAA Proceedings.

107. I sincerely believe that authorizing IMV to pay salary, accrued vacations and a small portion of severance owed to the employees whose employment will be terminated and temporarily maintain their group benefits will go a long way towards ensuring their cooperation over the coming weeks and therefore minimize any impact that the CCAA Proceedings will have on the clinical trials.

108. At this time, IMV does not have the financial resources to pay all the severance owed to the employees who will be terminated in the context of the CCAA Proceedings. However, IMV intends to pay a small portion of the severance owed to these employees. IMV intends to engage with its other important stakeholders, including Horizon, with respect to amounts to be paid and intends to limit the amounts to be paid to what is essential to ensure the employees' cooperation, while not impacting the restructuring.

109. Any severance to be paid to employees whose employment is terminated would be paid on or about May 12, 2023.

F. Exemption From Certain Reporting Obligations, Trading Halt

110. IMV Inc. is a publicly traded company and I am informed by legal counsel to IMV that it is required to *inter alia* prepare and file interim financial statements, management's discussion & analysis and other continuous disclosure documents under applicable securities legislations and regulations in Canada, the provinces of Canada and the United States, the TSX Company Manual and the Nasdaq Stock Market Rules (collectively, the "**Continuous Reporting Documents**").

111. IMV Inc. needs to devote all of its time and resources to implement its restructuring efforts, including the SISP (as defined hereinafter), the whole for the benefit of IMV and its stakeholders.

112. Preparing the Continuous Reporting Documents would divert the attention of the senior management from tasks essential to the restructuring, would require significant resources and could impede IMV's ability to timely and efficiently complete its restructuring.

113. In addition, on the evening of April 28, 2023, after the closing of the markets, IMV Inc. will ask the TSX to issue a trading halt.

114. Under these circumstances, the Applicants request that any and all continuous disclosure, reporting and filing obligations of, and audit committee requirements applicable to IMV Inc. as a result of its status as a reporting issuer in each of the provinces and territories of Canada subject to Canadian securities laws, rules, regulations and policy statements be suspended until further order of this Court.

115. Furthermore, I am informed by counsel to IMV that, based on their recent experience in CCAA filings of issuers listed on the TSX, they expect the TSX to halt trading of the shares of IMV Inc. until a review is undertaken by the TSX regarding the suitability of IMV Inc. for continued listing on the TSX, which may possibly lead to a delisting of the shares of IMV Inc.

G. Extension of Time Limit to Hold Annual Shareholders' Meeting

116. As previously stated, IMV Inc. is incorporated under the CBCA. Pursuant to subparagraph 133(1)(b) of the CBCA, IMV Inc. must call an annual meeting of shareholders no later than six months after the end of its preceding financial year, which was on December 31, 2022.

117. Given the present proceedings, it is in the best interest of the Applicants for the time limit to call and hold the annual shareholders' meeting be extended until after the conclusion of the CCAA Proceedings, subject to further order of this Court.

118. The extension of the time limit to call an annual meeting of shareholders is essential in order to allow IMV, the Directors and Officers and other employees of IMV to focus their efforts on these restructuring proceedings, for the benefit of all stakeholders.

VII. Certain relief sought only as part of the Amended and Restated Initial Order

119. If the Initial order is granted, the Applicants intend to seek as part of the Amended and Restated Initial Order, in addition to the relief already granted in the Initial Order, the following relief.

A. Sale and Investment Solicitation Process

120. As previously stated, a successful restructuring of IMV is only possible with the implementation of one or more transactions in respect of the business and/or assets of the Applicants. As a result, the outcome of the CCAA Proceedings hinges on the outcome of a SISP to be implemented in the context of the CCAA Proceedings, subject to the approval of this Court.

121. IMV, with the assistance of its legal advisors and the Proposed Monitor, has been preparing the bidding procedures pursuant to which the SISP would be conducted. If the Initial Order is granted, IMV intends to engage with its stakeholders, including Horizon, to discuss the proposed conduct of the SISP and will seek this Court's approval of same at the Comeback Hearing.

122. The SISP will be intended to solicit interest in, and opportunities for, a broad range of executable transactions in respect of the business and/or assets of the Applicants. The SISP will contemplate a two-phase bidding process and provide for the possibility of an auction in the event that one or more interesting binding offers are received.

123. At this time, it is expected that the SISP will be conducted by the Proposed Monitor, in consultation with Stonegate.

B. KERP and KERP Charge

124. While IMV considers that all of its employees' contribution is important, the contribution of certain key employees will be essential to the success of the CCAA Proceedings.

125. With a view to securing the ongoing and continued support of these key employees, the Applicants will be seeking the approval of a key employee retention plan (the "**KERP**").

126. The KERP was developed by the Applicants with the oversight of the Proposed Monitor, to facilitate and encourage the continued participation of the executive, senior management and other key employees of the Applicants who are required to guide IMV through the restructuring and maximize value for the benefit of all stakeholders.

127. The KERP provides for a one-time payment upon the occurrence of a "Liquidity Event". To secure the payment by the Applicants of the amounts owed to the participants under the KERP, the Applicants will seek the granting of a charge on the Property (the "**KERP Charge**").

128. The KERP provides participants with additional payments as an incentive to continue their employment through the CCAA Proceedings. The participants of the KERP have significant experience and specialized expertise, including clinical trial and regulatory expertise, that cannot be easily replicated or replaced. Furthermore, the participants of the KERP will likely have other, more certain, employment opportunities arise and will be faced with a significantly increased workload during the restructuring process.

129. The Applicants intend to seek the approval of the KERP and the KERP Charge at the Comeback Hearing in the context of the Amended and Restated Initial Order.

C. Claims Process

130. Given the limited cash available to IMV to implement and complete its restructuring, it is in the best interest of IMV and its stakeholders that the review and determination of the number and quantum of claims against the Applicants and the Directors and Officers be completed as soon as possible.

131. As a result, at the Comeback Hearing, IMV intends to seek this Court's approval of a claims process to determine and adjudicate claims against the Applicants and the Directors and Officers, which claims process would *inter alia* provide for a reverse claims process for the determination and adjudication of employee claims.

VIII. Conclusion

132. I believe that IMV has acted in good faith and has made every reasonable effort, and assessed every available option, in its extensive efforts to find the required financing and/or a transaction which would allow it to continue its business as a going concern. However, at this time, seeking protection from its creditors under the CCAA is the only alternative available to provide IMV with an ultimate attempt at implementing a transaction.

133. I am confident that the granting of the Initial Order sought by the Applicants is in the best interests of IMV and its stakeholders.

134. I swear this affidavit in support of the request of the Applicants for protection under the CCAA and for no other purpose.

Sworn to before me at Montréal, Province of Québec on the 28th day of April, 2023	)	
Julie Larochelle #88375	)	
A commissioner for taking affidavits in the Province of Quebec and outside of Québec	)	Andrew Hall, Chief Executive Officer

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2023 **Hfx No.**

This is **Exhibit "A"** to the affidavit of Andrew Hall, sworn to before me at Montréal, Province of Québec, this 28th day of April, 2023

Julie Larochelle #88375

A commissioner for taking affidavits in the Province of Quebec

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

2023 **Hfx No.**

This is **Exhibit "B"** to the affidavit of Andrew Hall, sworn to before me at Montréal, Province of Québec, this 28th day of April, 2023

Julie Larochelle #88375

A commissioner for taking affidavits in the Province of Quebec

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.

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

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

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

(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 improvements $	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.

2023 **Hfx No.**

This is **Exhibit "C"** to the affidavit of Andrew Hall, sworn to before me at Montréal, Province of Québec, this 28th day of April, 2023

Julie Larochelle #88375

A commissioner for taking affidavits in the Province of Quebec

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

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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.

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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

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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).

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

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

2023 **Hfx No.**

This is **Exhibit "D"** to the affidavit of Andrew Hall, sworn to before me at Montréal, Province of Québec, this 28th day of April, 2023

Julie Larochelle #88375

A commissioner for taking affidavits in the Province of Quebec

Hfx No. ____________________

SUPREME COURT OF NOVA SCOTIA

IN THE MATTER OF: **Application by IMV Inc., Immunovaccine Technologies Inc. and IMV USA Inc. (the "Applicants"), for relief under the *Companies' Creditors Arrangement Act***

MONITOR'S CONSENT

FTI CONSULTING CANADA INC. hereby consents to act as Monitor of the Applicants in the within proceedings.

Dated as of April 28, 2023

FTI CONSULTING CANADA INC.

Per: ______________________________

Name: Jeffrey Rosenberg
Title: Senior Managing Director