

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 motion 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 Extension Order (the “**Extension Order**”) under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”).
2. I am the Chief Executive Officer of IMV Inc. and 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.
3. All references to monetary amounts in this affidavit are in Canadian dollars unless otherwise noted, and do not represent amounts or measures prepared in accordance with US GAAP.
4. This Affidavit is organized in the following sections:

I.	Introduction	2
II.	Overview of the Applicants’ Activities Since the ARIO	2
III.	The SISP	3
IV.	The Wind-down of IMV’s Clinical Trials	5

V.	Certain relief sought as part of the Extension Order	6
	A. The Extension of the Stay Period.....	6
	B. Approval of the Monitor’s Fees and Activities.....	7
VI.	Conclusion	7

I. Introduction

5. On May 1, 2023, the Applicants obtained protection under the CCAA pursuant to an initial order (the “**Initial Order**”) of the Nova Scotia Supreme Court (the “**Court**”). The Initial Order, among other things, appointed FTI Canada Consulting Inc. as monitor of the Applicants in these proceedings (the “**Monitor**”) and provided an initial stay of proceeding until and including May 5, 2023 (the “**Stay Period**”).
6. On May 5, 2023, the Court granted an Amended and Restated Initial Order (the “**ARIO**”), which, among other things, extended the Stay Period until and including July 17, 2023, and approved a sale and investment solicitation process (the “**SISP**”) to solicit offers for a broad range of executable transactions in respect of the business and/or assets of the Applicants.
7. IMV sought CCAA protection because it required 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 prior to the commencement of the CCAA proceedings. IMV entered 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.
8. As described in greater detail below, on a motion returnable before the Court on July 17, 2023, the Applicants are seeking an Extension Order, among other things, extending the Stay Period until and including August 18, 2023, and approving the fees and activities of the Monitor and its counsel.

II. Overview of the Applicants’ Activities Since the ARIO

9. Since the granting of the ARIO, IMV, in close consultation and with the assistance of the Monitor, has been working in good faith and with due diligence to stabilize its business and operations.

10. On May 9, 2023, IMV obtained an order under Chapter 15 of the United States Bankruptcy Code for recognition of these CCAA proceedings as “Foreign Main Proceedings”.
11. IMV has assisted the Monitor in with the implementation of the SISP approved as part of these CCAA proceedings.
12. IMV has also been involved, with the assistance of the Monitor, in ongoing discussions with its stakeholders, including suppliers, creditors and employees, regarding the CCAA proceedings and responded to requests for information from certain of such parties.
13. In addition, IMV, with the assistance of the Monitor, has also worked to resolve issues arising with its stakeholders.
14. Furthermore, as authorized pursuant to the ARIO, IMV proceeded to disclaim 16 unprofitable contracts and leases. No counterparty has contested the disclaimer within the period provided for under the CCAA to do so.
15. Finally, IMV worked, in consultation with the Monitor, to review and update its cash flow projections for its receipts and disbursements for the period up to and including August 18, 2023.

III. The SISP¹

16. As previously stated to the Court in my prior affidavits, a successful restructuring of IMV was 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 the sale and investment solicitation process (the “**SISP**”) approved as part of the ARIO and which was implemented in the context of the CCAA Proceedings.
17. Since the approval of the SISP, the Monitor, with the assistance of its affiliate, FTI Capital Advisors, and with input from IMV, has been conducting the SISP in accordance with the bidding procedures of the SISP approved by this Court (the “**SISP Procedures**”). The following steps were taken as soon as practicable after the approval of the SISP in connection with its implementation:

¹ Capitalized terms used in this section and not otherwise defined have the meanings ascribed to them in the SISP Procedures.

- (a) the Monitor, with the assistance of IMV, developed a list of known potential bidders and provided them with a summary (the “**Teaser**”) regarding the opportunity and outlining the process under the SISP and inviting them to participate in the SISP. I am informed that the Teaser was sent to 575 potential bidders;
 - (b) I am informed that the Monitor arranged for the notice of the SISP to be published in The Globe and Mail (National Edition), La Presse+ and the Wall Street Journal;
 - (c) I am informed that several interested potential bidders were provided with a confidential information package and access to a data room after executing a non-disclosure agreement.
18. As set out in the SISP, the bid deadline for non-binding Sale Proposal or Investment Proposal bids (“**LOI’s**”) was 5:00 pm (Halifax Time) on June 19, 2023. Multiple LOIs were received by this deadline (the “**LOI Deadline**”). The Monitor, in consultation with IMV, reviewed the LOIs received by the LOI Deadline and determined that multiple appropriate parties would proceed to the next phase and be invited to submit a Qualified Bid.
 19. The Monitor and IMV, in consultation with Horizon Technology Finance Corporation (“**Horizon**”) made the determination as to which of the Prospective Bidders were Qualified Bidders and the Prospective Bidders were promptly informed of this determination.
 20. In order to continue to participate in the SISP, a Qualified Bidder was required to deliver a Qualified Purchase Bid or Qualified Investment Bid to the Monitor by no later than 5:00 pm (Halifax Time) on July 10, 2023 (the “**Bid Deadline**”). The Monitor received multiple bids in accordance with the SISP Procedures.
 21. I am informed by the Monitor and believe it to be true that IMV’s secured creditor, Horizon, intends to submit a credit bid in accordance with the SISP Procedures subject to completing its due diligence.
 22. As at the date hereof, the Monitor, in consultation with IMV, is continuing to consider the received bids, including the possibility to combine certain bids with the parties involved and continuing discussions with the prospective purchasers.

23. Even if the foregoing discussions are successful, the current interest in IMV is focused on the intellectual property and its novel and patented delivery technology DPX lipid-in-oil delivery platform (“**DPX**”). As a result, IMV will take the necessary steps in the interim to initiate an orderly wind-down of its clinical trials given the lack of interest by Qualified Bidders in maintaining these going forward.
24. IMV intends to be back in Court by August 18, 2023 for a further update and the approval of a potential transaction, as the case may be.

IV. The Wind-down of IMV’s Clinical Trials

25. From the outset of the CCAA Proceedings, IMV represented to the Court that it was committed to taking all the necessary measures to minimize any disruptions to the ongoing clinical trials and to limiting any inconveniences for the patients involved in these clinical trials, who are already suffering as a result of their condition.
26. As outlined above, interest for IMV and its assets is focused on IMV’s intellectual property and DPX platform. In the absence of interest from potential purchasers to continue ongoing clinical trials, IMV needs to take the necessary steps to initiate an orderly wind-down of its clinical trials while ongoing discussions with respect to a possible transaction continue.
27. The wind-down of ongoing clinical trials will affect a total of nine (9) actively treated patients in 5 jurisdictions (France, Spain, Poland, New Zealand and the United States).
28. Leading up to the filing of the motion for the issuance of the Extension Order, IMV, in collaboration with its consultants, has outlined a clinical wind-down plan and researched special access programs (the “**Special Access Programs**”) (e.g. Expanded Access in the US, Compassionate Use, etc.) per jurisdiction and regulatory agency in the event that a wind-down of clinical trials was required.
29. In some jurisdictions, these programs could allow for the site investigator to continue to oversee and accept responsibility for a patient’s care and IMV’s only responsibility would be to supply sufficient drug product. IMV has ample drug product to complete treatment per protocol for all remaining active patients.

30. The next step in the wind-down plan will involve reaching out directly to the regulatory agencies for clarification and agreement with the plan. Following regulatory guidance, IMV will contact the investigators at each site with active patients and provide them a package outlining their responsibilities to transfer the patient to a Special Access Program specific to each regulatory jurisdiction. The investigators will be given a near term deadline to accept or decline whether they will transfer the actively treated patients to a Special Access Program.
31. In the event that there are no Special Access Programs or other regulatory options to treat patients outside of IMV protocols, the patients will be removed from the studies.
32. The wind-down of clinical trials is expected to be conducted with the involvement of IMV's remaining employees, in collaboration with IMV's consultants, the investigators and the various sites. It is IMV's intent to ensure that the wind-down will be implemented efficiently, while minimizing to the greatest extent possible any disruptions for the patients.

V. Certain relief sought as part of the Extension Order

A. The Extension of the Stay Period

33. The Applicants are seeking to extend the Stay Period until and including August 18, 2023. The extension of the Stay Period is necessary and appropriate in the circumstances to allow for the continued limited operations of IMV while it finalizes the SISF and continues the ongoing claims process.
34. As will be demonstrated by the cash flow forecast which will be attached as a schedule to the report of the Monitor to be filed in support of the relief sought (the "**Monitor's Report**"), IMV has sufficient funds to get through the Stay Period, including a provision for the payments under the KERF and the payments to the critical suppliers, if required.
35. I believe that IMV has acted and is continuing to act in good faith and with due diligence in these CCAA proceedings since the granting of the Initial Order.
36. All stakeholders generally, including creditors, will benefit from the extension of the Stay Period.
37. Furthermore, I am informed by counsel to the Monitor, and believe it to be true that Horizon supports IMV's request for the extension of the Stay Period.

B. Approval of the Monitor's Fees and Activities

- 38. Pursuant to the Extension Order, IMV is asking this Court to approve the fees and activities of the Monitor and its counsel as detailed in the Monitor's Report.
- 39. I believe that the fees and activities of the Monitor and its counsel are reasonable in the circumstances.

VI. Conclusion

- 40. I believe that IMV has acted in good faith and with due diligence since the issuance of the Initial Order.
- 41. I am confident that the granting of the Extension Order sought by the Applicants is in the best interests of IMV and its stakeholders.
- 42. I swear this affidavit in support of the request of the Applicants for the issuance of an Extension Order and for no other purpose.

Sworn to before me at Montréal, Province of Québec on the 13th day of July, 2023)


A commissioner for taking affidavits in the Province of Quebec and outside of Québec)


Andrew Hall, Chief Executive Officer