

## ***General CCAA Frequently Asked Questions (“FAQs”)***

### **1. What is the CCAA?**

- The CCAA, or the Companies’ Creditors Arrangement Act, is a federal law in Canada that provides insolvent companies with debts in excess of \$5 million an orderly and supervised means to restructure their businesses.
- Once a company has been granted CCAA protection, the Court enters an Initial Order establishing what is known as a ‘Stay of Proceedings’, which prevents creditors from taking action against the company, its directors and officers, and its assets for an initial period of 10 days (which can be further extended as the court deems appropriate) allowing the company to continue to manage the day-to-day operations of the business while it addresses its restructuring objectives in an orderly and efficient manner. A subsequent appearance in court often occurs within the first 10 days (a ‘Comeback Hearing’).
- CCAA protection provides companies with the time and “breathing room” necessary to emerge as a successful, going concern business and to position the business as a stronger, more competitive company.

### **2. Is a company that files for protection under CCAA considered to be bankrupt?**

- No. While a company filing for CCAA is insolvent, meaning that it has insufficient liquidity to continue to fund its obligations as they become due and/or its liabilities are greater than the assets that are available to satisfy those liabilities, the company is not considered to be bankrupt. In Canada, ‘bankruptcy’ refers to proceedings commenced under the Bankruptcy and Insolvency Act, which is different than the CCAA.
- In fact, the Stay of Proceedings under the CCAA prevents creditors from forcing the company into bankruptcy. For this reason, CCAA is sometimes referred to as ‘Bankruptcy Protection’.

### **3. Why did IMV file for CCAA?**

- Despite the growing industry enthusiasm surrounding cancer vaccines and its encouraging clinical trial results, IMV felt there were limited opportunities to raise additional capital in the current market conditions and IMV was unable to identify a suitable solution available in the near term.
- The Initial Order provides a stay of creditor claims and the exercise of contractual rights with a view to provide the Company some breathing room to continue its ongoing strategic review process under the oversight of the Board of Directors.

### **4. Is CCAA the same as declaring bankruptcy in the US?**

- CCAA would be most similar to a Chapter 11 reorganization in the US.

- Under Canadian insolvency and restructuring laws, “bankruptcy” is a specific type of proceeding under which an insolvent company’s operations are terminated and a trustee is appointed by the court to take control of, and sell the company’s assets for the benefit of its creditors.
- The CCAA proceedings, among other things, prevents creditors from forcing a company into bankruptcy. For this reason, CCAA proceedings are sometimes referred to as “bankruptcy protection” in Canada.

#### **5. What is Chapter 15 of the U.S. Bankruptcy Code?**

- Chapter 15 of the US Bankruptcy Code provides an effective mechanism for dealing with insolvency cases where a company's assets, claimants and other stakeholders are located in more than one country. When a company initiates proceedings under Chapter 15 and those proceedings are recognized by the US Bankruptcy Court, it provides the company with the same protections provided by the Initial Order.
- Although Chapter 15 is part of the U.S. Bankruptcy Code, initiating proceedings under Chapter 15 does not mean that a company is in bankruptcy.

#### **6. Once the Company is granted protection under CCAA, who is in charge?**

- The Company’s Board of Directors and management team remain in control of the day-to-day operations of the business, subject to the specific requirements of the Initial Order made in the CCAA proceedings, under the supervision of the Court-appointed Monitor.

#### **7. What is a Monitor?**

- The Monitor is appointed by, and serves as an officer of the Court. Its responsibilities are prescribed by the CCAA and by Court order, and includes monitoring the Company’s restructuring initiatives, assisting the Company with the preparation of cash flow statements and other financial reporting, liaising with stakeholders, and reporting to the Court from time to time on the progress of the CCAA proceedings.
- In IMV’s case, FTI Consulting Canada Inc. (“FTI”) has been appointed as the Monitor.
- Professionals from FTI will be working with the Company throughout the CCAA process.
- Copies of the Monitor’s reports are publicly available on a website being maintained by the Monitor at [www.cfcanada.fticonsulting.com/imv](http://www.cfcanada.fticonsulting.com/imv)

#### **8. As a terminated employee, am I eligible for the WEPP?**

- In order for the Wage Earner’s Protection Program Act (WEPPA) to apply to IMV, the Court must declare that IMV meets the criteria prescribed by regulation. At this point in the CCAA proceedings, IMV has not yet met the criteria prescribed by regulation to qualify for the WEPPA.

- If circumstances change such that IMV meets the applicable criteria, it intends to seek the aforementioned declaration as soon as possible. To the extent there are any changes, information will be posted on the Monitor's website & notices will be sent to employees with additional information.
- Additional information around WEPPA can be found at: <https://www.canada.ca/en/employment-social-development/services/wage-earner-protection.html>

**9. Is there a public filing or disclosure required as part of filing for protection under the CCAA?**

- Yes. Among other public documents filed with the Court, the Company files an affidavit that includes, but is not limited to, the following information: a brief history of the Company and an overview of its business; a description of the nature of its assets and liabilities; the reasons for its financial difficulties; and support for the relief being sought from the Court. Once the CCAA Initial Order is issued, the Monitor is required to notify known creditors and publish a public notice in local newspapers of the CCAA proceedings. The Monitor is also required to establish a website where materials relating to the CCAA proceedings will be posted: [www.cfcanada.fticonsulting.com/imv](http://www.cfcanada.fticonsulting.com/imv)
- In addition to the affidavit and the notice of application for a CCAA Initial Order, there will be motions filed with the Court throughout the CCAA proceedings, as well as reports submitted to Court by the Monitor that will provide the Court and stakeholders with updates as to the progress of the CCAA proceedings. These documents will be matters of public record and will be made available by the Monitor on its website: [www.cfcanada.fticonsulting.com/imv](http://www.cfcanada.fticonsulting.com/imv)

**10. Where can public Court documents and other information related to the CCAA proceedings be accessed?**

- Court materials, including reports prepared by the Monitor, will be available on the Monitor's website, [www.cfcanada.fticonsulting.com/imv](http://www.cfcanada.fticonsulting.com/imv)

**11. What do I do if I have other questions?**

- For questions regarding ordinary course business, you should continue to speak to your regular contact person at IMV.
- For questions relating to the CCAA proceedings, the Monitor can be contacted toll free at 1-833-860-8353 or 416-649-8121 or by email at: [imv@fticonsulting.com](mailto:imv@fticonsulting.com). Additional information is also available on the Monitor's website at: [www.cfcanada.fticonsulting.com/imv](http://www.cfcanada.fticonsulting.com/imv)

**12. How long does the CCAA process take and what is the tentative timeline?**

- The Court has granted CCAA protection to IMV for an initial period of 5-days, which may be extended for a period that the Court deems appropriate. The Company will work to complete its restructuring in a timely fashion, though there is no standard timeframe for the duration of CCAA proceedings. The Company sought and was granted an extension of the stay proceeding to July 17, 2023.
- At this time, the Company does not know how long the proceedings will take to complete. The Company will provide further updates as appropriate.