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INITIATION REPORT

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IMV, Inc. (NASDAQ/IMV)

BUY **$5.39** **Price Target - US$10.00**

IMV is an immuno-oncology (IO) company with four Phase 2 trials ongoing with other IO products including PD-1s with multiple data read outs this year.

June 18, 2018

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Initiate at Buy as IMV Joins the Big Boys in IO

- We are initiating coverage on IMV with a Buy rating and a US$10.00 twelve-month price target. IMV has developed a delivery platform called DepoVax™ that is believed to produce a strong immune response that has a specific and sustained immune effect and that is in the clinic in oncology and infectious disease indications. The lead product DPX-Survivac is a unique immune vaccine that is in four Phase 1/2 oncology trials. We expect DPX-Survivac sales in combination with other inmuno-oncology (IO) agents may reach $1.0B in 2024 in recurrent ovarian cancer and diffuse large cell b-cell lymphoma (DLBCL) which supports our US$10.00 price target.
- The lead program DPX-Survivac is in four oncology trials for three indications. Three Phase 1/2 IO combination trials are ongoing with Incyte Pharmaceuticals' IO developmental agent epacadostat and Merck's IO agent Keytruda® that targets PD-1. The epacadostat trial is in recurrent ovarian cancer and had promising data presented at ASCO 2018. Specifically, eight patients were evaluable at the first CT scan at day 56 after the priming phase. There are 2 tumor regressions so far – including 1 partial response (PR) with tumor regression ongoing for 9 months and 4 with stable disease (SD). The next 12 months will be critical to validating IMV's DPX-Survivac with both Merck's and Incyte's IO products.
- The next important events include: 1) By YE18 the results of day 140 CT scans and more from the DeCiDE recurrent ovarian trial; 2) Initial combination results with Keytruda in recurrent ovarian cancer and DLBCL in the summer 2018; 3) The DeCiDE Phase 2 expansion of evaluation of DPX-Survivac activity with and without epacadostat first patient in 3Q:18; and 4) begin a basket trial in 5 solid tumor indications in preparation of an announcement of a partner in the summer and first patient entered in trial this fall.
- In our opinion the company has sufficient funds until 2019. We have a 12 -month price target of US$10.00 based on an average of a 25x multiple of 2026 EPS of CDN$4.64 discounted back at 40% and a 12x multiple of 2026 adjusted royalties of $617.1M discounted back at 40%.
- Risks include the usual challenges in drug development: 1) failure to show benefit in the clinical trial; 2) regulatory approval with an appropriate label; 3) the need for additional capital; 4) competitive products; 5) reimbursement; 6) intellectual property; and 7) manufacturing.

Please find Important Disclosures beginning on Page 24.

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Rating	Buy
Target Price	US$10.00
Ticker Symbol	IMV
Market	NASDAQ
Stock Price	$5.39
52 wk High	$7.21
52 wk Low	$2.69
Shares Outstanding:	50.5 M
Public Market Float:	36.4 M
Avg. Daily Volume	6,052
Market Capitalization:	$235 M
Institutional Holdings:	12.6%
Dividend Yield:	0.0%

Earnings Per Share	**Normalized to exclude unusual items**		
FYE - December	**2017A**	**2018E**	**2019E**
1Q - March	($0.06)	($0.07) A	($0.01)
2Q - June	($0.06)	($0.08)	($0.02)
3Q - September	($0.06)	($0.10)	($0.01)
4Q - December	($0.22)	($0.04)	($0.02)
Year	**($0.32)**	**($0.32)**	**($0.05)**
Revenue ($mm)	**$0.2**	**$2.8**	**$3.7**
EV/Rev	NM	79.1X	59.9X
EBITDA ($mm)	NM	NM	NM
EV/EBITDA	NM	NM	NM

Senior Executives	
Frederic Ors	Chief Executive Office
Pierre Labbe	Chief Financial Officer
Gabriela N. Rosu, MD	Chief medical Officer
Joseph Sullilvan	SVP, Buisness Development
Stephan Fiset	VP, Clinical Research
Leeladhar Sammatur	VP, Product Develop. & Manuf.
Marianne Stanford, PhD	VP, Research

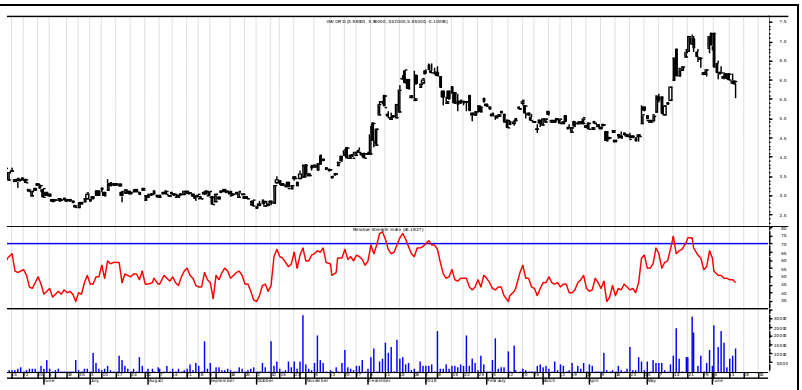
Common Ownership Profile

Shareholder	**Shares ('000)**	**% of Total**
Ruffer LLP	6,121.3	12.1%
Barometer Capital Management, Inc.	77.0	0.2%
Industrial Alliance Investment Managem	73.5	0.1%
Timelo Investment Management, Inc.	66.4	0.1%
Arrow Capital Management, Inc.	30.1	0.1%
Directors and Officers	18,164	36.0%

Capitalization

Market Value Basis ('000)	**06/13/2018**	**%**
Long-Term Debt	$5,330	2.4%
Market Value of Equity	234,810	106.0%
Less: cash	-18,630	-8.4%
Enterprise Value	$221,510	100.0%

Book Value Basis ('000)	**03/31/2018**	**%**
Long-Term Debt	$5,330	25.5%
Other Liabilities	2,615	12.5%
Book Value of Equity	12,923	61.9%
Total Capital	$20,868	100.0%



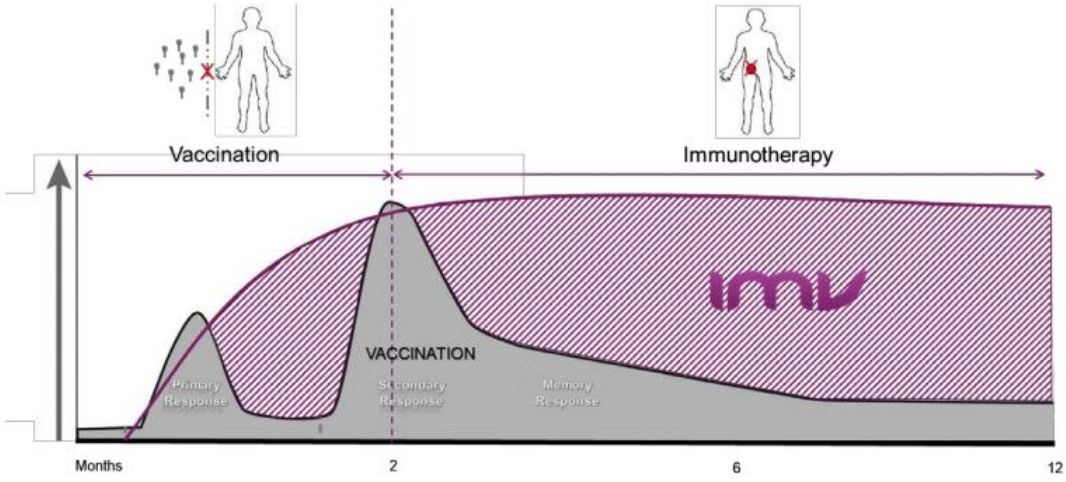
Source: Company reports, Metastock and Dawson James estimates.

DPX-Survivac A Liquid Vaccine That Complements other IO Therapies

IMV's proprietary platform that reprograms T cells is complementary to checkpoint inhibitors and co-stimulators, cancer vaccines and CARs, and TCRs. Importantly, this new mechanism of action (MOA) involves both T and B cell therapies. The best T cell responses results in improved intensity and durations. DepoVax ™ is a water free lipid in oil vaccine formulations that had showed responses to peptide vaccines in animals and in human trials. The DPX formulation allows for the lipids to effectively combine multiple peptide or protein antigens and adjuvants into an oil phase. This results in a formulation the provides a long lasting immunogenic depot in the body with emulsion-based depot forming vaccine platforms. The company has used MRI to show how the novel lipid nanoparticle technology works. First it has a unique antigen trafficking to lymph nodes and has shown increased efficacy in tumor models. There has been no release of the antigen from the formulation. Also, there is no inflammation at the injections site and thus far the treatment has been well tolerated. The DPX delivery platform has a no release mechanism based on the non-aqueous lipid nanoparticle suspension. The "non-release" mechanism entraps and protects the active ingredients from degradation for months versus hours or a day. It facilitates active uptake by Antigen presenting cells (APC) that transport them to the lymph nodes.

The IMV approach is different from former cancer vaccines that have short peak responses that are unable to result in durable tumor regression. To achieve that, IMV is developing a new type of immunotherapy based on the reprogramming of immune cells in vivo to generate "synthetic" new therapeutic capabilities. Typical short peak responses of vaccination cannot trigger significant and durable tumor regression. It requires a new type of T cell response of intensity and duration that cannot be produced by conventional technologies. The exhibit below illustrates the difference between IMV's approach and former vaccine candidates.

Exhibit 1. IMV's Differentiated Vaccine Coverage



Source: Company reports.

DPX-Survivac is a Novel T cell Activating Therapy that Targets Survivin

The lead program is DPX-Survivac - a lipid vaccine that contains a mix of HLA class I peptides licensed from Merck KGaA that stimulates a T cell response against survivin. The 5 peptides have different HLA restrictions (HLA-A1, A2, A3, A24, B7). The combination covers approximately 85% of the North American population. It is optimized for cytotoxic activity when delivered with intermittent metronomic cyclophosphamide (mCPA). The company has four oncology programs in the clinical with three partners.

Exhibit 2. IMV Oncology Pipeline and Partners

Indication	Product	Trials	Timing	Partners
Ovarian	DPX-Survivac + mCPA* + epacadostat	Phase 1b	Ongoing	Incyte
	DPX-Survivac + mCPA + pembrolizumab	Phase 2	Ongoing	MERCK
DLBCL	DPX-Survivac + mCPA + pembrolizumab	Phase 2	Ongoing	MERCK
HPV related cancer	DPX-E7 + mPCA	Phase 2	Ongoing	DANA-FARBER CANCER INSTITUTE, $t2c

* mCPA: low dose metronomic cyclophosphamide used as immune modulating agent

Source: Company reports.

All programs are planned to have data read outs this year. Incyte's epacadostat is a potent and selective inhibitor of indoleamine 2,3-dioxygenase 1 (IDO1) that may reverse tumor-associated immune suppression. This IO target complements the PD-1 inhibitors. Merck's Keytruda (pembrolizumab) is the leading PD-1 Mab inhibitor that is approved 8 cancers (Exhibit 11).

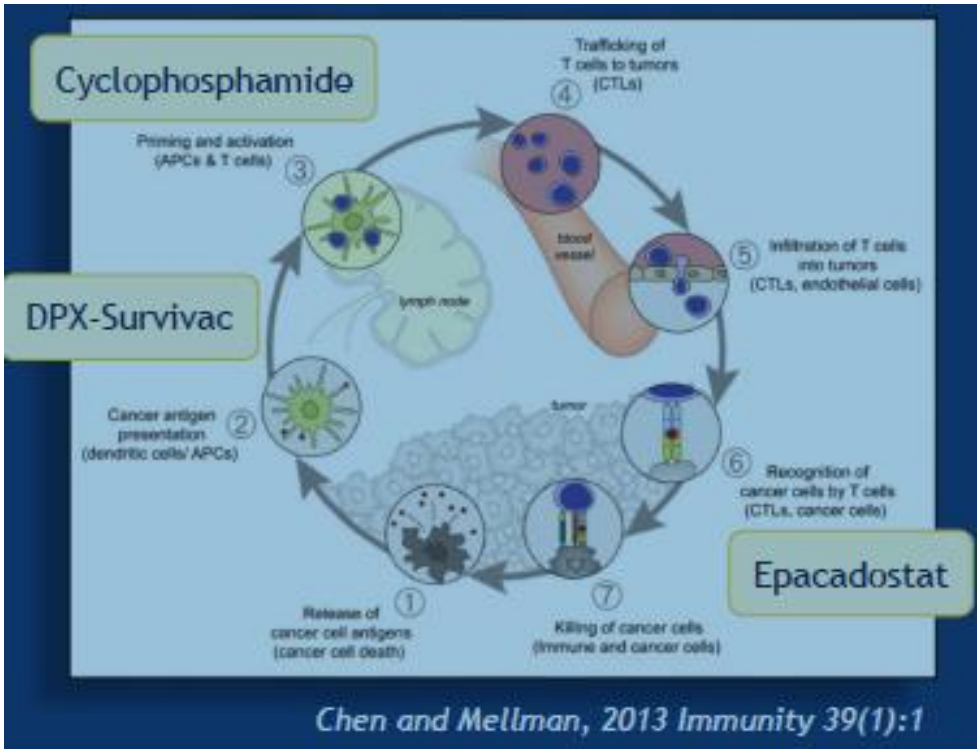
Exhibit 3. Oncology Clinical Trial Summary

Oncology Trials	Stage	Pts	Descriiption	Primary Endpoint	Secondary Endpoint	Began	Finish
DPX-Survivac Vaccine	Phase 1	40	DPX is SQ inj and epa. And cyc. Are oral BID	Safety @ up to 13 mons.	ORR, Duration, TTP, OS up to 13 mons	Apr 2016	May 2018
w/ epacadostat (IDO1 inhibitor) and cyclophoshamide	OL			Cell mediated immunity via antigen specific resp. in blood bimonthly up to 13 mons		NCT0278550	
in pts / recurrrent ovarian cancer				Txt induced changes in tumor infiltration lymphocytes @ 8-10 wks			
DPX-Survivac Vaccine	Phase 2	42	0.25mL injection Day 1; after wk 6 with recive booster dose of either 0.25 or 0.5 mL	ORR @ 5 years	PFS, OS, Toxcity @ 5 yrs.	Feb 2018	Feb 2023
w/ pembrolizumab (Keytruda) and cyclophosphamide	Dose Expansion		200 mg IV on day 1 of every 21 day cycle			NCT03029403	
In pts w/ advance ovarian, primary peritoneal or Fllopian Tube cancer	OL		cyclo. 7 days before trial begins, then 50mg BID 7 days on /7 days off until day			Investigator sponsered	
DPX-Survivac Vaccine In DLBCL	Phase 2	25	0.5mL injection 3 wks apart Day 7 & 28	ORR using modifies Cheason criteria @ 1 yr	volume using waterfall analyis and toxicity @ 1 yr	Mar 2018	May 2020
	SpiReL		Up to 6 0.1 mL booster vacc, every 2 mons for 1 yr or progression		DoR using modified Cheson crieria and	NCT03349450	
w/ pembrolizumab (Keytruda) 200 mg IV			200mg every 3 wks starting on day 7 to a total of 18 infusionts				
Cyclophospamide (50 mg BID)	OL		cyclo. 7 days on /7 days off until day 384				
DPX-E7 (HPV16-E711-19 Nanomer	Phase 1b	44	Priming doses 3 wks apart folled by a	Number of pts. With Aes @ 2yrs	ORR, OSR, PFS @ 2 yrs	Dec2016	May 2019
	OL		pedetermined booster dose every 8 wks			NCT02865135	
			until progression				
Incurable pts with oropharyngeal, cervical and anal HLA-A*02 positive cancers related to HPV			cyclo. 7 days before trial begins, then 50mg BID 7 days on /7 days off until day 384				

Source: Clinicaltrials.gov, Company reports.

DPX-Survivac induces systemic survivin-specific T cell responses. T cells have been showed to migrate into tumors. In the ovarian trial objective clinical responses were corelated to the IO combination therapy in a patient population that has low response rates to other immunotherapies. This may be due to DPX-Survivan, mCPA, and epacadostat work at different places in the life cycle delivering a triple boost to the immune system.

Exhibit 4. Triple Combination Immunotherapy

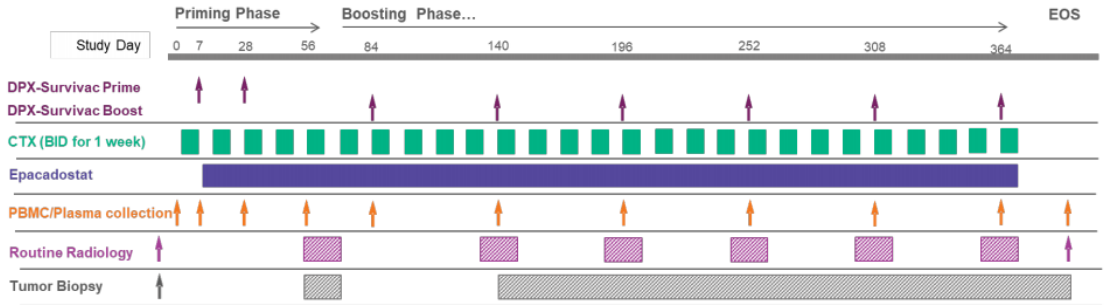


Source: Company reports.

Epacadostat 300 mg Dose is Safe and More Efficacious Than 100 mg Dose

The data release at ASCO 2018 builds on the interim analysis results announced in December 2017. Primary endpoints of this Phase 1/2 trial include safety and immunogenicity. Antigen-specific T cell immunity was assessed in PBMC by IFN-γ ELISPOT, tetramer analysis, and bioanalysis of pre- and post-treatment tumor biopsy conducted using RNA sequencing and multiplex IHC in subjects with available biopsy. Secondary endpoints include objective response by modified RECIST v1.1.

Exhibit 5. The DeCiDE DPX-Survivac+CPA Epacadostat Phase 1/2 Trial Design



Source: Company reports.

The patient population was well matched. All were HLA matched and platinum resistant in Group 1 all expressed survivan.

Exhibit 6. The DeCiDE Trial Patient Description

Parameter	Group 1 (N=14)	Group 2 (N=12*)
Age: Mean (Range)	65 (35-79)	57 (36-72)
ECOG: 0	11 (79%)	6 (50%)
1	3 (21%)	6 (50%)
HLA Match	14 (100%)	12 (100%)
Cancer Type: EOC	8 (57%)	9 (75%)
FT	3 (21%)	1 (8%)
P	3 (21%)	2 (17%)
Stage at Diagnosis: 3c	10 (71%)	8 (67%)†
4	4 (29%)	2 (17%)
1st Line Platinum Sensitivity: S	11 (79%)	10 (83%)
R	3 (21%)	2 (17%)
Last Line Platinum Sensitivity: S	6 (43%)	1 (8%)
R	8 (57%)	11 (92%)
Prior Lines: Mean (Range)	3.1 (1-7)	4.5 (1-7)

- Group 1: DPX-Survivac, mCPA, ≤ 100 mg BID epacadostat
  - All tested subjects expressed survivin
- Group 2: DPX-Survivac, mCPA, 300 mg BID epacadostat
- *Enrollment to Group 2 is ongoing

EOC (epithelial ovarian), FT (fallopian tube), P (peritoneal) Platinum Resistant (R) = 3-6m after first line, 0-6m after last line †One subject diagnosed as 1o and one as 3a

Source: Company reports.

The results of the higher dose cohort were reported in eight patients with advanced ovarian cancer (stage IIc-IV with evidence of disease progression). This cohort of patients received DPX-Survivac: two priming doses Q3W (and scheduled to receive up to 6 boosting doses), CPA (50 mg BID), and epacadostat (up to 300 mg BID). The eight patients where evaluable at the first CT scan at day 56 after the priming phase. There are 2 tumor regressions so far – including 1 partial response (PR) with tumor regression ongoing for 9 months and 4 with stable disease (SD).

Exhibit 7. 100 mg Epacadostat vs. 300 mg at day 56

Response at Day 56	100mg	300mg
PR	1	*
SD	5	6
PD	4	2
Total Evaluable Patients	10	8
PR+SD	60%	75%

Best Response	100mg	300mg
PR	3	Ongoing
SD	4	
PD	3	
Total Evaluable Patients	10	Goal of 16 minimal and up to 40
PR+SD	70%	TDB

* The only patient with data evaluable at day 140 was reported PR (-43%)

Source: Company reports.

In addition, IMV believes that they are now able to demonstrate the MOA as all clinical responses correlate with DPX-Survivac entering the T cells. All partial responses (PRs) analyzed have evidence of increase T cell infiltration in the tumors post treatment. All stable disease (SD) patients show little or no increase of T cell infiltration except one with evidence of MHC pathway and immune suppressive resistance.

The December 2017 results demonstrated evaluable subjects had increases in survivin-specific T cells that were sustained throughout treatment. RNA sequencing and/or mIHC analysis of T cell markers showed increases in T cells within the tumors of subjects who achieved a partial response (PR), correlating with Ki-67 decreases within the tumor. Pretreatment survivin mRNA levels were not significantly different. A subject with evidence of T-cell infiltration without clinical benefit demonstrated upregulation of checkpoint markers and low MHC class I expression within the tumor, indicating a potential mechanism of resistance.

Importantly, the treatment was well tolerated with minimal Grade 3 or Grade 4 adverse events.

Exhibit 8. Most Reported Adverse Events Were Grade 1 and 2

Systemic Events

Toxicity	G 1	G 2	G 3	G 4	Total (%)
Nausea	10 (38)	4 (15)	-	-	14 (54)
Fatigue	9 (35)	2 (8)	2 (8)	-	13 (50)
Diarrhea	2 (8)	3 (12)	-	-	5 (19)
Rash/Rash Maculo-papular	-	2 (8)	2 (8)	-	4 (15)
Vomiting	3 (12)	1 (4)	-	-	4 (15)
Lipase Increased	-	-	2 (8)	1 (4)	3 (12)
Abdominal Distension	2 (8)	1 (4)	-	-	3 (12)
WBC Count Decreased	2 (8)	1 (4)	-	-	3 (12)
Pyrexia	3 (12)	-	-	-	3 (12)
Decreased Appetite	3 (12)	-	-	-	3 (12)
Dehydration	-	2 (8)	-	-	2 (8)
Dizziness	2 (8)	-	-	-	2 (8)
Pruritus	2 (8)	-	-	-	2 (8)

Injection site reactions

Toxicity	G 1	G 2	G 3	G 4	Total (%)
Induration	13 (50)	1 (4)	-	-	14 (54)
Erythema	13 (50)	-	-	-	13 (50)
Pruritus	5 (19)	-	-	-	5 (19)
Warmth	5 (19)	-	-	-	5 (19)
Atrophy	3 (12)	1 (4)	-	-	4 (15)
Pain	3 (12)	-	-	-	3 (12)
Bruising	2 (8)	-	-	-	2 (8)
Exfoliation	2 (8)	-	-	-	2 (8)
Rash	2 (8)	-	-	-	2 (8)

- Group 1 N = 14
- Group 2 N = 12, enrollment ongoing

Events possibly, probably, or definitely related to study treatment and occurring >1 subject

Source: Company reports.

Survivin is a Validated Target in Many Cancers

Survivin is a protein overexpressed in over 20 cancers. Survivin controls key cancer processes including apoptosis, cell division, and metastasis and has associated Survivin with chemotherapy resistance and cancer progression. The five peptides covering the most commonly expressed are the HLA allele (A1, A2, A3, A24, and B7). Survivin is also called baculoviral inhibitor of apoptosis repeat-containing 5 or BIRC5. Survivin is a member of the inhibitor of apoptosis (cell death). Its expression is closely tied to p53 which has been shown to repress survivin expression at the mRNA level. Thus, in successful in ovarian and/or DLBCL there a many other cancers to evaluate.

Exhibit 9. Survivin Expression in Various Cancers

Cancer	Survivin %
Ovarian	90
Breast	90
Melanoma	90
Lung	53
Colorectal	54
Gastric	94
Kidney	23-82
Glioblastoma	80
ALL	70
CML	70
MDS	90
DLBCL	60

Source: Company reports.

Recurrent Ovarian Cancer Patients Have Few Options

New chemotherapy (chemo) drugs and drug combinations are being tested. When the drugs cisplatin and carboplatin stop working, the cancer is said to be platinum resistant. Studies are looking for many ways to make these cancers sensitive to these drugs again. Different strategies include: looking closely at what specific mechanisms and proteins are involved in the making ovarian cancer cells resistant. Some drugs in development may be able to keep the cancer cells from becoming resistant to the chemo by blocking channels that pump chemotherapy out of the cancer cell. Although carboplatin is preferred over cisplatin in treating ovarian cancer if the drug is to be given IV, cisplatin is also used as intraperitoneal (IP) chemotherapy. Studies are looking at giving carboplatin for IP chemo. Another approach is to give IP chemo during surgery using heated drugs. This, known as heated intraperitoneal chemotherapy or HIPEC, can be effective. More studies are showing this to be beneficial and may improve how long a woman lives.

Poly(ADP-ribose) polymerases (PARPs) are enzymes that have been recognized as key regulators of cell survival and cell death. Drugs that inhibit PARP-1 have been approved for patients with ovarian cancer caused by mutations in BRCA1 and BRCA2, for all recurrent ovarian cancer and for maintenance in these patients. Treatment cost ~$120,000 annually. New evidence shows that ovarian cancers can also become resistant to treatment with PARP inhibitors. Researchers are trying to find ways to counteract this process.

Most of the IO studies conducted in resistant ovarian cancer have been small. The largest study was with Merck KGaA avelumab, a PD-L1 Mab. That trial produced an ORR of 10%. The ORR in this chart ranged from 0% to 21%, DPC-Survivac demonstrated 30% (with small numbers). For Disease Control Response (DCR) the responses ranged from 0% to 83%, with DPX-Survivac at 70%.

Exhibit 10. Resistant IO Ovarian Cancer Trial Results

Ovarian Cancer IO clinical trials	Phase (nb patients)	DCR (SD, PD and CR)	ORR (PR and CR)	References
Checkpoint Immunotherapy				
Ipilumab-BMS (CTLA-4)	P1 (9)	44% (1 PR + 3 SD)	11% (1 PR)	Hodi F. S. et al. 2008 Proc. Natl Acad. Sci. USA 105:3005
Epacadostat-Incyte (IDO1)	P2 (20)	0% (1 CA 125 reduction)	0%	Kristeleit et al Gynecol Oncol. 2017 Sep;146(3):464-490
Pembrolizumab-Merck (PD-1)	P1b (26)	35% (6 SD + 3PR)	12% (1 CR + 2 PR)	Varga A et al. (2015) J Clin Oncol (Meeting Abstracts) 33): 5510.
Nivolumab-BMS (PD-1)	P2 (18)	44% (2 CR +1 PR + 5 SD)	17% (2 CR +1 PR)	Hamanishi J et al. (2014) J Clin Oncol 32: 5511
Avelumab-Merck KgA (PD-L1)	P1b (124)	54% (12 PR + 55 SD)	10% (12 PR)	Disis ML et al. J Clin Oncol 34, 2016 (suppl; abstr 5533)
BMS-936559 (PD-L1)	P1 (17)	24% (1 PR + 3 SD)	6% (1 PR)	Brahmer JR et al. N Engl J Med. 2012;366(26):2455-2465
Checkpoint + PARP inhibitor				
Durvalumab-AZ (PD-L1) + Olaparib (PARPi)	P1/2 (12)	83% (2 PR + 9 SD)	17% (2 PR)	Lee JM et al. J Clin Oncol. 2017 Jul 1;35(19):2193-2202
Pembrolizumab + Niraparib (PARPi)*	P2 (29)	52% (9 SD + 6 PR)	21% (6 PR)	Tesaro 2017 ESMO
Combination Immunotherapy				
Epacadostat + Pembrolizumab	P2 (37)	35% (10 SD + 3 PR)	8% (3 PR)	Lee S. Schwartzberg Post-ASCO Immunotherapy Highlights June 27, 2017
Epacadostat 100mg + Nivolumab	P1/2 (18)	28% (3 SD + 2 PR)	11% (2 PR)	Lee S. Schwartzberg Post-ASCO Immunotherapy Highlights June 27, 2017
Epacadostat 300mg + Nivolumab	P1/2 (11)	36% (2 SD + 1 PR + 1 CR)	18% (1 PR + 1 CR)	Lee S. Schwartzberg Post-ASCO Immunotherapy Highlights June 27, 2017
Average	**29**	**44%**	**11%**	
DPX-Survivac+ Epacadostat 100mg	**P1b (10)**	**70% (3 PR + 4 SD)**	**30% (3 PR)**	

* Study ongoing – incomplete results

DCR (Disease Control Rate) = CR (complete response) + Partial response (PR) + stabile disease (SD)

OOR (Overall Response Rate) = CR + PR

Source: Company reports.

Ovarian Cancer Market is Projected to Reach $7B by 2026 According to Nature Reviews (Drug Discovery – July 2017)

There are approximately 107,500 new cases annually in the US of uterine cervix, uterine corpus, ovary, vulva, vagina & other genital cancers in women. The death rate is approximately 29% with 31,600 deaths annually. There are at least 22,440 new ovarian cancer cases in the US annually with an estimated 14,080 deaths. Up to 80% of patients will progress after their first treatment, with a 12-18-month average duration of survival after recurrence. In 2018, it is estimated that there will be 63,230 new cases of uterine cancer and an estimated 11,350 people will die of this disease.

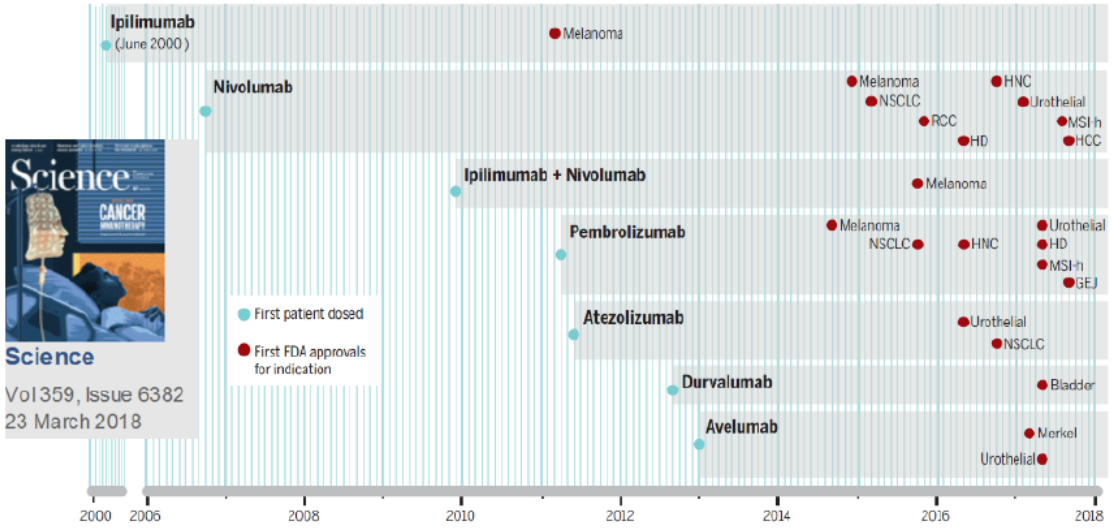
Treatment of ovarian cancer is aggressive and involves surgical removal of both ovaries, the fallopian tubes, and the uterus. In addition, any lymph nodes and abdominal tissue to which ovarian cancer has spread will also be removed surgically. Chemotherapy is generally prescribed to kill any remaining cancer cells and prevent the reappearance of ovarian cancer and involves a platinum and a taxane. Chemotherapy is also used to slow the growth of ovarian cancer that has spread to other parts of the body. Radiation therapy may also be done. Treatment also includes regular medical follow-up visits to monitor treatment, progress, side effects of treatment and the potential for recurrences of ovarian cancer. Tests used to monitor progress and possible recurrences include the CA-125 test and CT and PET scan.

PD-1 and PDL-1 Drugs are the backbone IO for Several Cancers

These IO drugs have taken the market by storm since 2015 when the first PD-1 were approved. The drugs demonstrate ORR rates of 30-40% and durable remission rates in several cancers in patients primarily that have failed prior therapy. Despite their success, there is ample room for improvement. And complementary immunotherapy is being studied widely with the thesis of using two different mechanism to remove the brakes on

the immune system. In June 2018, Keytruda (pembrolizimab) received approval for cervical cancer, this is not in the chart.

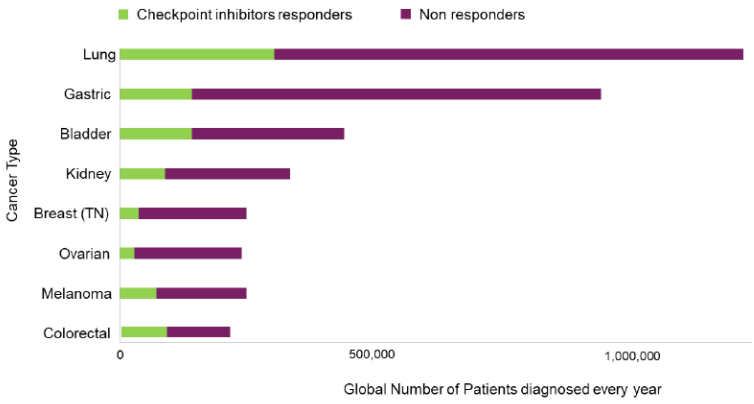
Exhibit 11. PD-1 and PDL-1 Inhibitors History



Ribas A, Wolchok JD. Cancer immunotherapy using checkpoint blockade. Science. 2018 Mar 23;359(6382):1350-1355

Source: Company reports.

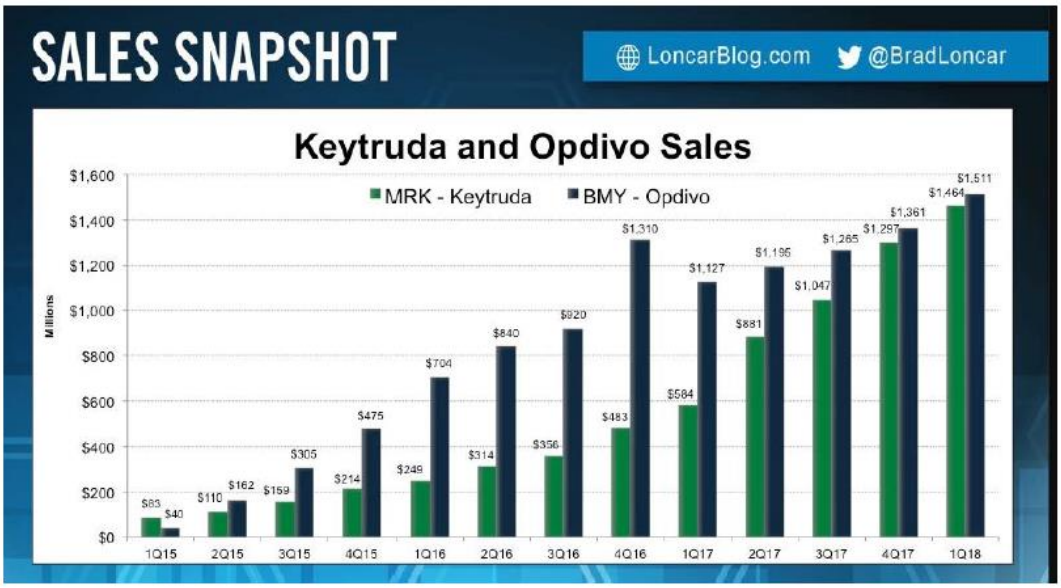
Exhibit 12. Most Patients do not Respond to PD-1 and PDL-1 Inhibitors



Source: Company reports.

Despite this the sales are approximately $4B for both Merck's Keytruda and Bristol Myers Squib's Opdivo. In part because they are priced ~$150K.

Exhibit 13. Keytruda and Opdivo Sales



Source: Company reports.

Combining IO Drugs Is Promising, In Some Cases

In October 2015, the FDA granted an accelerated approval to the combination of cutting-edge cancer drugs that unleash the body's immune system against tumors, a combination that costs more than $250,000 per patient for the first full year. The combination of Opdivo (nivolumab) and Yervoy (ipilimumab) for patients with BRAF V600 wild-type unresectable or metastatic melanoma was approved based on findings from the Phase 2 CheckMate-069 study. In the double-blind study, the PD-1 inhibitor Opdivo plus the CTLA-4 inhibitor Yervoy reduced the risk of progression or death by 60% compared with Yervoy alone. With the combination, the ORR was 60% compared to 11% with Yervoy alone. The accelerated approval marks the first for an IO combination for patients with cancer.

Data from the CheckMate-227 trial was presented at AACR 2018 that demonstrated that Opdivo (nivolumab) and Yervoy (ipilimumab) versus a chemotherapy doublet in first line NSCLC patients. At 1 year, progression-free survival (PFS) was significantly longer with first-line nivolumab plus ipilimumab (42.6%) compared to chemotherapy (13.2%) among patients with NSCLC and a high tumor mutational burden, irrespective of PD-L1 expression level. In addition, ORR was 45.3 for the immunotherapy group versus 26.9% for the chemotherapy group. Grade 3 and 4 treatment related adverse events were 31.2% and 36.1% for the immunotherapy group compared to the chemotherapy group, respectively. In our opinion, this IO combo may become standard of care in first line treatment in NSCLC with the use tumor mutational burden as a biomarker for patient selection.

There have also been some mixed results. In April, Incyte's pivotal ECHO-3 trial of its IDO1 and Keytruda in first line metastatic melanoma failed to confirm the Phase 1/2 results that showed an ORR 75% higher than Keytruda alone.

In May, Genmab and JNJ announced that Darzalex, an anti-CD38 Mab, that was in trials with different immune checkpoint inhibitors failed to show increased benefit. Specifically, the CALLISTO/LUC2001 trial in NSCLC and the MMY2036 trial in multiple myeloma (MM) were disappointing. Also, saw the safety and monitoring board saw more mortality related events in the combo with Darzalex and Tecentriq.

DPX-Survivac Looks Promising in DLBCL

Diffuse large B cell lymphoma (DLBCL) is the most common subtype of non-Hodgkin lymphoma (NHL), according to the WHO accounts for up to 40% of cases globally. We have seen estimates from 30 – 80%. There are 13,240 new NHL diagnoses in the US annually and 4,107 deaths. Prevalence was pegged at 686,042 in 2015. DLBCL is heterogeneous and aggressive, and few treatment advances have occurred in many years until the Mab Rituxan was added to chemotherapy (cyclophosphamide, vincristine, doxorubicin and prednisone – known as CHOP) in 1998. R-CHOP has been standard of care and has shown a 74.3% survival at 6 years compared to 55.8% survival at 6 years with CHOP alone. The chance of survival without chemotherapy is 0%.

Late last year the CAR T cell therapy Yescarta was approved for patients that have failed at least 2 prior therapies. In our opinion, due to the side effects and nearly $500,000 price tag, it will be used in patients that all other options have failed.

Other programs ongoing for DLBCL include antibody drug conjugates and the target CD79, a protein expressed on B lymphocytes. Roche's polatuzumab, an ADC, has demonstrated positive results in Phase 1/2 trials.

Patents

IMV's patent portfolio is comprised of more than 250 patent applications with about 150 patents granted in more than 20 different countries/states including the US, Canada, Europe, Japan and China. IMV's products are protected by several layers combining platform and product patents and extending protection beyond 2035. Exclusive worldwide license agreements for the two main products, DPX-Survivac and DPX-RSV are retained by the company.

Management

Fred Ors has been CEO since April 2016. In this position he has established partnerships with major pharmaceutical companies and top leading academic centers to advance IMV's IO pipeline. He has more than 20 years of experience in the biopharmaceutical industry, having served in several management roles and 14 years at Medicago serving in many roles of increasing responsibility, most recently as Vice President of Business Development and Strategic Planning. He had been an integral part of Medicago's success, including securing more than CDN$300M in non-dilutive funding in revenues and future milestones from licensing agreements and government contracts, and the CDN$357M deal acquisition by

Mitsubishi Pharma in 2013. Fred served as second Vice-Chair of the Vaccine Industry Committee of Biotech Canada between 2012 and 2016.

Pierre Labbé is CFO. He has more than 25 years of progressive financial leadership roles in various industries. Prior to joining IMV, he was Vice President and CFO of Leddartech Inc. His experience in the life sciences sector includes serving as CFO and secretary of Medicago Inc. until the completion of the privatization of Medicago Inc., following the acquisition by Mitsubushi Pharma for an enterprise value of CDN$357M in 2013. He has participated in the development of strategic plans, financing and in mergers and acquisitions (over CDN$1B in transactions). Pierre is also a Director of Osisko Gold Royalties Ltd and Agility Health Inc.

Gabriela Nicola Rosu, MD is CMO. Gabriela brings more than 20 years of medical and pharmaceutical experience to her tenure at IMV. Prior to joining the Company, she was most recently a Medical Science Liaison for Janssen Inc., responsible for implementing the medical strategy at the regional level. Previously, she served as a Global Medical Advisor in hematology for Novo Nordisk, where she actively participated in developing the global medical strategy and clinical development plans for multiple compounds. She has worked at Berlex, Celgene, Novo Nordisk, and Lundbeck, gathering extensive experience in several therapeutic areas, including hematology and oncology.

Joseph Sullivan is SVP, Business Development. Joseph brings over 25 years of global pharmaceutical and vaccine industry experience to IMV. Prior to joining the Company, he worked at Merck launching new products and indications, evaluating business development opportunities, and forming external collaborations. Most recently, Joseph led cross-functional efforts to identify, negotiate, and operationalize global vaccine partnerships to expand market access. Joseph provides IMV with a significant breadth of commercial experience, including the launch of Merck's Gardasil® in the US, and the market expansion of Singulair®.

Stephan Fiset VP, Clinical Research. Stephan manages the implementation and progress of IMV's clinical programs. Prior to joining the company, he worked for more than 15 years in clinical research with Medicago, GlaxoSmithKline and the Infectious Disease Research Center of the CHUL, where he led multifunctional teams in several therapeutic areas, including Oncology, HIV, Vaccines, Sepsis, Hematology, and Neurology.

Leeladhar Sammatur is VP, Product Development & Manufacturing. Leeladhar is responsible for the chemistry, manufacturing and control operations of IMV's DepoVax™ based vaccine candidates. He has more than 20 years of experience in vaccine product development, from conceptualization to commercialization. He joined IMV in 2007 as Head Scientist and was promoted to this position in 2016. Prior to joining IMV, Leeladhar worked at GSK, Novartis, Bharat Biotech and Uni-Sankyo in various capacities.

Marianne Stanford, PhD is VP, Research. Marianne oversees all preclinical research activities and clinical immunology assessment of cancer immunotherapies and infectious disease vaccines. She also serves as adjunct professor in Microbiology and Immunology at Dalhousie University, as a member of the Vaccine Discovery group of the Canadian Centre for Vaccinology, and as an Associate Member of the Beatrice Hunter Cancer Research Institute. Before joining the Company in 2010, Marianne conducted her postdoctoral training at the Robarts Research Institute and at the Ottawa Hospital Research Institute (OHRI), focusing her research on the use of viruses in the development of novel cancer treatments.

Annie Tanguay is VP, Quality and Regulatory. Annie is responsible for development, implementation and maintenance of IMV's Quality systems, programs and processes to ensure GXPs compliance. She brings more than 27 years of experience in pharmaceuticals and biopharmaceuticals industries to IMV, serving over half of these years in multinational pharmaceutical companies involved in sterile products manufacturing. During a 10-year career at Abbott she served in many Quality roles with increasing responsibilities, from Quality Control (QC) laboratory supervisor to Plant Compliance Manager. Prior to joining IMV, she spent almost 15 years at Telesta Therapeutics (formerly known as Bioniche Life Sciences). She has actively participated in meetings with regulatory agencies (FDA and Health Canada BGTD) and has hosted several GMP inspections.

Model Assumptions and Financials

Revenue: We have assumed DPX-Survivac for resistant ovarian cancer is launched in the US in 2021, in the EU in 2022. We have placed the price at $100,000 in the US and $80,000 in the EU. We have modeled a DPX-Survivac DLBCL US launch in the US in 2023, and in the EU in 2024.

Exhibit 14. DPX-Survivac Risk Adjusted Revenues and Royalties

DPX-Survivac	2021	2022	2023	2024	2025	2026	2027	2028	7 yr CAGR
WW Ovarian Sales	$ 142,083	$ 218,097	$ 334,779	$ 513,885	$ 788,814	$ 1,210,830	$ 1,858,624	$ 2,852,988	~25%
WW Risk Adjusted	$ 71,041	$ 252,168	$ 508,658	$ 813,338	$ 1,136,690	$ 1,393,076	$ 1,663,108	$ 1,878,873	

DPX-Survivac	2021	2022	2024	2023	2025	2026	2027	2028	5yr CAGR
WW DLBCL Sales			$ 282,153	$ 1,122,967	$ 2,145,645	$ 3,235,078	$ 4,459,091	$ 5,415,029	~25%
IMV Rev			$ 141,076	$ 561,484	$ 1,072,823	$ 1,617,539	$ 2,229,546	$ 2,707,515	

Worldwide Survivac Revenu	2021	2022	2023	2024	2025	2026	2027	2028	7 yr CAGR
Total Worldwide sales	$ 142,083	$ 504,337	$ 1,299,470	$ 2,749,643	$ 4,419,024	$ 6,021,230	$ 7,785,308	$ 9,172,776	~25%
Total WW Risk Adj sales	$ 71,041	$ 252,168	$ 649,735	$ 1,374,822	$ 2,209,512	$ 3,010,615	$ 3,892,654	$ 4,586,388	
Royalties to IMV 20%	$ 14,208	$ 50,434	$ 129,947	$ 274,964	$ 441,902	$ 602,123	$ 778,531	$ 917,278	

Source: Dawson James Securities Research.

EPS: We forecast the first year of profitability is 2022 and a 5-year 25% compounded growth rate from 2022 through 2028.

Cash: At the end of March 2018, the company had CDN$24.0M in cash. The cash burn was ~$2.7M in Q1:18 and expects to the FY18 the cash burn rate to be between $12M and $14M. The company has 43M shares outstanding with 4.0M stock options, warrants, and deferred shares units outstanding on May 14, 2018.

Debt: At the end of March 2018 IMV had CDN$5.3M in debt.

Partners: Clinical costs are shared 50/50 share with Incyte, while Merck is paying for the ovarian cancer trial. IMV is paying for DLBCL trial. In addition, Incyte and Merck are paying for their products epacadostat and pembrolizumab respectively. Neither Incyte or Merck has an option for 1st right of refusal on DPX Survivac.

Royalties owed: DPX is fully synthetic; has long term stability and a low COGS. We have modeled IMV will pay Merck KGaA a 5% royalty on DPC-Survivac sales.

Taxes: the Canadian tax rate is 31%.

Upside to our model includes: 1) DPX-Survivac sales in indications in gynecological and other survivin cancers (Exhibit 9) and ROW and 2) Royalties from other clinical stage programs such as RSV.

The company is in Halifax, Nova Scotia, Canada. The company recently changed its name to IMV from Immunovaccine and up listed to NASDAQ. The shares trade under the ticker IMV on both the NASDAQ and Toronto exchange. IMV has 41 employees.

Exhibit 15. Historical and Projected Income Statement

IMV, Inc.
Income Statement
(in C$000 except per share values)

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	2015	2016	2017	Mar Q1:18A	Jun Q2:18E	Sep Q3:18E	Dec Q4:18E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
DPX-Survivac Ovarian Sales -Risk Adj.																				
US sales	-	-	-	-	-	-	-	-	-	-	71,041	221,734	384,487	560,029	749,126	865,990	991,074	1,124,851	1,267,819	1,420,504
EU sales	-	-	-	-	-	-	-	-	-	-	-	30,434	124,171	253,309	387,563	527,086	672,034	754,023	839,022	927,119
DPX-Survivac -DLBCL Sales -Risk Adj.																				
US sales	-	-	-	-	-	-	-	-	-	-	-	-	141,076	440,549	764,287	1,113,766	1,490,540	1,723,861	1,973,750	2,241,165
EU sales	-	-	-	-	-	-	-	-	-	-	-	-	-	120,935	308,536	503,773	739,005	983,653	1,171,078	1,365,749
WW DPX-Survivac Sales	-	-	-	-	-	-	-	-	-	-	71,041	252,168	649,735	1,374,822	2,209,512	3,010,615	3,892,654	4,586,388	5,251,669	5,954,536
Royalty Revenue											14,208	50,434	129,947	274,964	441,902	602,123	778,531	917,278	1,050,334	1,190,907
Licensing/Milestone Revenue			-				2,500	2,500	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000			
Other/Interest revenue	$ 130		$ 189	$ 96	$ 75	$ 60	$ 50	$ 281	-											
Total Revenue (000s)	**$ 130**	**$ 130**	**$ 189**	**$ 96**	**$ 75**	**$ 60**	**$ 2,550**	$ 2,781	$ 15,000	$ 15,000	$ 29,208	$ 65,434	$ 144,947	$ 289,964	$ 456,902	$ 617,123	$ 793,531	$ 917,278	$1,050,334	$1,190,907
Royalty Payments (Merck KGaA)	-	-	-	-	-	-	-	-	$ -	$ -	$ 3,552	$ 12,608	$ 32,487	$ 68,741	$ 110,476	$ 150,531	$ 194,633	$ 229,319	$ 262,583	$ 297,727
Gross Profit	***130***	***130***	***189***	***96***	***75***	***60***	***2,550***	***2,781***	***$ 15,000***	***$ 15,000***	***$ 25,656***	***$ 52,825***	***$ 112,460***	***$ 221,223***	***$ 346,427***	***$ 466,592***	***$ 598,898***	***$ 687,958***	***$ 787,750***	***$ 893,180***
Operating Expenses																				
R&D	(4,570)	(3,481)	(4,827)	(1,882)	(2,000)	(1,900)	(2,000)	$ (7,782)	$ (9,800)	$ (10,780)	$ (11,858)	$ (13,044)	$ (14,348)	$ (15,783)	$ (17,361)	$ (19,097)	$ (21,007)	$ (23,108)	$ (25,419)	$ (27,961)
SG&A	(2,710)	(3,165)	(5,203)	(921)	(1,000)	(1,500)	(1,500)	$ (4,921)	$ (5,050)	$ (5,555)	$ (6,111)	$ (6,722)	$ (7,394)	$ (8,133)	$ (8,946)	$ (9,841)	$ (10,825)	$ (11,908)	$ (13,098)	$ (14,408)
Busines develop. And IR	(1,223)	(678)	(1,221)	(369)	(350)	(375)	(400)	$ (1,494)	$ (1,500)	$ (1,650)	$ (1,815)	$ (1,997)	$ (2,196)	$ (2,416)	$ (2,657)	$ (2,923)	$ (3,215)	$ (3,537)	$ (3,891)	$ (4,280)
Impairment loss	-	(195)	-	-	-	-	-	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accreted interest & adjustments	(401)	(1,506)	(966)	(266)	(265)	(270)	(250)	$ (1,051)	$ (1,040)	$ (1,500)	$ (1,600)	$ (1,700)	$ (1,800)	$ (2,000)	$ (2,200)	$ (2,420)	$ (2,662)	$ (2,928)	$ (3,221)	$ (3,543)
Total Operating Expenses	(8,905)	(9,026)	(12,218)	(3,438)	(3,615)	(4,045)	(4,150)	(15,248)	(17,390)	(19,485)	(21,384)	(23,462)	(25,738)	(28,332)	(31,165)	(34,282)	(37,710)	(41,481)	(45,629)	(50,192)
Operating Income	**(8,775)**	**(8,896)**	**(12,029)**	**(3,342)**	**(3,540)**	**(3,985)**	**(1,600)**	**(12,467)**	**(2,390)**	**(4,485)**	**4,273**	**29,363**	**86,722**	**192,891**	**315,262**	**432,311**	**561,188**	**646,478**	**742,122**	**842,989**
Pre-tax Income	(8,775)	(8,896)	(12,029)	(3,342)	(3,540)	(3,985)	(1,600)	(12,467)	(2,390)	(4,485)	4,273	29,363	86,722	192,891	315,262	432,311	561,188	646,478	742,122	842,989
Taxes	-	-	-	-	-	-	-	$ -	$ -	$ -	1,325	9,103	26,884	59,796	97,731	134,016	173,968	200,408	230,058	261,327
Tax rate 31%	-	-	-	-	-	-	-	-	-	-	*31%*	*31%*	*31%*	*31%*	*31%*	*31%*	*31%*	*31%*	*31%*	*31%*
Net Income	(8,775)	(8,896)	12,029	(3,342)	(3,540)	(3,985)	(1,600)	$ (12,467)	$ (2,390)	$ (4,485)	$ 2,948	$ 20,261	$ 59,838	$ 133,095	$ 217,531	$ 298,294	$ 387,220	$ 446,070	$ 512,064	$ 581,662
GAAP EPS - basic and diluted	**(0.32)**	**$ (0.29)**	**$ (32.00)**	**$ (0.07)**	**$ (0.08)**	**$ (0.10)**	**$ (0.04)**	$ (0.29)	$ (0.05)	$ (0.09)	$ 0.05	$ 0.34	$ 0.99	$ 2.16	$ 3.45	$ 4.64	$ 5.91	$ 6.67	$ 7.51	$ 8.37
Basic Shares	28,700	31,645	38,692	41,595	41,678	41,761	41,845	41,720	46,067	50,067	51,068	55,089	56,191	57,315	58,461	59,630	60,823	62,039	63,280	64,546
Diluted Shares	28,700	31,645	38,692	45,674	45,765	45,857	45,949	45,811	50,158	54,158	55,241	59,346	60,533	61,743	62,978	64,238	65,523	66,833	68,170	69,533

Source: Company reports, Factset,Dawson James research.

Source: Company Reports, Dawson James Securities Research.

Exhibit 16. Revenue Projections

IMV, Inc.
Revenue Model
(in C$000s)

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Recurrent Ovarian Cancer

US - DPX-Survivac

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Reccurrent Ovarian Cancer	252,591	257,643	262,796	268,052	273,413	278,881	284,459	290,148	295,951	301,870
% with Suvivin	*90%*	*90%*	*90%*	*90%*	*90%*	*90%*	*90%*	*90%*	*90%*	*90%*
% with HLA+	*85%*	*85%*	*85%*	*85%*	*85%*	*85%*	*85%*	*85%*	*85%*	*85%*
- Pts w/ BRAC1/2	*13%*	*13%*	*13%*	*13%*	*13%*	*13%*	*13%*	*13%*	*13%*	*13%*
Available Patients	189,444	193,232	197,097	201,039	205,060	209,161	213,344	217,611	221,963	226,403
Pts appropriate for txt -75%	142,083	144,924	147,823	150,779	153,795	156,871	160,008	163,208	166,473	169,802
Penetration	1%	3%	5%	7%	9%	10%	11%	12%	13%	14%
Patients treated	1,421	4,348	7,391	10,555	13,842	15,687	17,601	19,585	21,641	23,772
Cost	$ 100,000	$ 102,000	$ 104,040	$ 106,121	$ 108,243	$ 110,408	$ 112,616	$ 114,869	$ 117,166	$ 119,509
Sales	**$ 142,083**	**$ 443,469**	**$ 768,974**	**$ 1,120,057**	**$ 1,498,253**	**$ 1,731,980**	**$ 1,982,147**	**$ 2,249,701**	**$ 2,535,638**	**$ 2,841,007**
US sales (Risk Ajusted - 50%)	**$ 71,041**	**$ 221,734**	**$ 384,487**	**$ 560,029**	**$ 749,126**	**$ 865,990**	**$ 991,074**	**$ 1,124,851**	**$ 1,267,819**	**$ 1,420,504**

EU - DPX-Survivac

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Reccurrent Ovarian Cancer	265,221	270,525	275,936	281,455	287,084	292,825	298,682	304,656	310,749	316,964
% with Suvivin	*90%*	*90%*	*90%*	*90%*	*90%*	*90%*	*90%*	*90%*	*90%*	*90%*
% with HLA+	*85%*	*85%*	*85%*	*85%*	*85%*	*85%*	*85%*	*85%*	*85%*	*85%*
- Pts w/ BRAC1/2	*13%*	*13%*	*13%*	*13%*	*13%*	*13%*	*13%*	*13%*	*13%*	*13%*
Available Patients	198,916	202,894	206,952	211,091	215,313	219,619	224,011	228,492	233,062	237,723
Pts appropriate for txt -75%	149,187	152,171	155,214	158,318	161,485	164,714	168,009	171,369	174,796	178,292
Penetration	1%	2%	4%	6%	8%	10%	11%	12%	13%	
Patients treated	761	3,104	6,333	9,689	13,177	16,801	18,851	20,976	23,178	
Cost	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000	
Sales	**$ 60,868**	**$ 248,342**	**$ 506,618**	**$ 775,126**	**$ 1,054,172**	**$ 1,344,069**	**$ 1,508,045**	**$ 1,678,043**	**$ 1,854,238**	
EU sales (Risk Ajusted - 50%)	**$ 30,434**	**$ 124,171**	**$ 253,309**	**$ 387,563**	**$ 527,086**	**$ 672,034**	**$ 754,023**	**$ 839,022**	**$ 927,119**	

Worldwide Sales - Ovarian	**$ 142,083**	**$ 504,337**	**$ 1,017,317**	**$ 1,626,676**	**$ 2,273,379**	**$ 2,786,152**	**$ 3,326,216**	**$ 3,757,747**	**$ 4,213,681**	**$ 4,695,245**
Risk Adjusted Worldwide Sales - 7	**$ 71,041**	**$ 252,168**	**$ 508,658**	**$ 813,338**	**$ 1,136,690**	**$ 1,393,076**	**$ 1,663,108**	**$ 1,878,873**	**$ 2,106,841**	**$ 2,347,622**
Revenue to IMV 20%		**$ 50,434**	**$ 101,732**	**$ 162,668**	**$ 227,338**	**$ 278,615**	**$ 332,622**	**$ 375,775**	**$ 421,368**	**$ 469,524**

DLBCL

US - DPX-Survivac

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total NHL Population	772,595	788,047	803,808	819,884	836,281	853,007	870,067	887,468	905,218	923,322
DLBCL - 40%	309,038	315,219	321,523	327,953	334,513	341,203	348,027	354,987	362,087	369,329
CAR-T txt Pts dealths	8,020	8,020	8,020	8,020	8,020	8,020	8,020	8,020	8,020	8,020
Available Pts	301,018	307,199	313,503	319,934	326,493	333,183	340,007	346,968	354,067	361,309
Pts appr. For txt - 75%	225,764	230,399	235,127	239,950	244,870	249,887	255,005	260,226	265,551	270,982
Penetration			1%	3%	5%	7%	9%	10%	11%	12%
Number of Txt Patients			2,351	7,199	12,243	17,492	22,950	26,023	29,211	32,518
Cost			$ 120,000	$ 122,400	$ 124,848	$ 127,345	$ 129,892	$ 132,490	$ 135,139	$ 137,842
Sales (000s)			**$ 282,153**	**$ 881,097**	**$ 1,528,574**	**$ 2,227,532**	**$ 2,981,080**	**$ 3,447,723**	**$ 3,947,500**	**$ 4,482,331**
(US Risk Ajusted - 50%			**$ 141,076**	**$ 440,549**	**$ 764,287**	**$ 1,113,766**	**$ 1,490,540**	**$ 1,723,861**	**$ 1,973,750**	**$ 2,241,165**

EU - DPX-Survivac

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total NHL Population	811,224	827,449	843,998	860,878	878,095	895,657	913,570	931,842	950,479	969,488
DLBCL - 40%	324,490	330,980	337,599	344,351	351,238	358,263	365,428	372,737	380,191	387,795
CAR-T txt Pts dealths	8,421	8,421	8,421	8,421	8,421	8,421	8,421	8,421	8,421	8,421
Available Pts	316,069	322,559	329,178	335,930	342,817	349,842	357,007	364,316	371,771	379,375
Pts appr. For txt - 75%	237,052	241,919	246,884	251,948	257,113	262,382	267,756	273,237	278,828	284,531
Penetration				1%	3%	4%	6%	8%	9%	10%
Number of Txt Patients				2,519	6,428	10,495	15,396	20,493	24,397	28,453
Cost				$ 96,000	$ 96,000	$ 96,000	$ 96,000	$ 96,000	$ 96,000	$ 96,000
Sales (000s)				**$ 241,870**	**$ 617,071**	**$ 1,007,546**	**$ 1,478,011**	**$ 1,967,307**	**$ 2,342,156**	**$ 2,731,497**
EU sales (Risk Ajusted - 50%				**$ 120,935**	**$ 308,536**	**$ 503,773**	**$ 739,005**	**$ 983,653**	**$ 1,171,078**	**$ 1,365,749**

Worldwide Sales - DLBCL			**$ 282,153**	**$ 1,122,967**	**$ 2,145,645**	**$ 3,235,078**	**$ 4,459,091**	**$ 5,415,029**	**$ 6,289,656**	**$ 7,213,828**
Risk Ajusted Worldwide sales - 50%			**$ 141,076**	**$ 561,484**	**$ 1,072,823**	**$ 1,617,539**	**$ 2,229,546**	**$ 2,707,515**	**$ 3,144,828**	**$ 3,606,914**
Revenue to IMV 20%	$ -	$ -	**$ 28,215**	**$ 112,297**	**$ 214,565**	**$ 323,508**	**$ 445,909**	**$ 541,503**	**$ 628,966**	**$ 721,383**

Worldwide Survivac Revenue	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Worldwide sales	$ 142,083	$ 504,337	$ 1,299,470	$ 2,749,643	$ 4,419,024	$ 6,021,230	$ 7,785,308	$ 9,172,776	$ 10,503,337	$ 11,909,073
Total WW Risk Adj sales	$ 71,041	$ 252,168	$ 649,735	$ 1,374,822	$ 2,209,512	$ 3,010,615	$ 3,892,654	$ 4,586,388	$ 5,251,669	$ 5,954,536
Royalties to IMV 20%	$ 14,208	$ 50,434	$ 129,947	$ 274,964	$ 441,902	$ 602,123	$ 778,531	$ 917,278	$ 1,050,334	$ 1,190,907

Source: Dawson James Securities Research.

Exhibit 17. Historical Balance Sheet

IMV Inc.
Balance Sheet
(in C$000s except per share values)

Carol Werther
Dawson James Securities
(646) 753-5230, cwerther@dawsonjames.com

	Dec Q4:15	Dec Q4:16	Mar Q1:17	Jun Q2:17	Sep Q3:17	Dec Q4:17	Mar Q1:18
Current Assets							
Cash and cash equivalents	3.8	13.5	11.8	19.3	16.6	14.9	24.0
Amounts receivable	0.3	0.3	0.3	0.3	0.3	0.3	0.4
Prepaid expenses and other current assets	0.2	0.5	0.5	0.7	0.7	0.8	1.1
Investment Tax credits receivable	1.0	0.5	0.7	0.6	0.7	0.5	0.7
Total current assets	**5.4**	**14.8**	**13.2**	**20.9**	**18.3**	**16.5**	**26.2**
Property and equipment, net	0.3	**0.3**	0.3	0.6	0.6	0.6	0.7
Intangible asset	0.2	-	-	-	-	-	-
Total Assets	**6.0**	**15.1**	**13.5**	**21.5**	**18.9**	**17.0**	**26.9**
Current liabilities							
Accounts payable	1.9	1.7	1.2	2.0	1.5	2.8	2.1
Amounts due to directors	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Deferred revenue	0.1	-	-	-	-	-	-
Current portion of long-term debt	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Current portion of lease obligation	0.1	-	-	-	-	-	-
Total current liabilities	**2.2**	**1.8**	**1.3**	**2.1**	**1.5**	**2.8**	**2.2**
Deferred share units		0.2	0.5	0.5	0.6	1.4	1.3
Long-term debt	3.7	6.1	6.3	6.6	6.4	6.5	6.7
Total long-term liabilities	**3.7**	**6.3**	**6.8**	**7.1**	**7.0**	**7.8**	**8.0**
Total Liabilities	**5.9**	**8.1**	**8.1**	**9.2**	**8.5**	**10.7**	**10.2**
Stockholders' equity:							
Common stock	0.1	7.0	5.4	12.3	10.4	6.3	16.7
Total stockholders' equity (deficit)	**0.1**	**7.0**	**5.4**	**12.3**	**10.4**	**6.3**	**16.7**
Total liabilites and stockholders' equity	**6.0**	**15.1**	**13.5**	**21.5**	**18.9**	**17.0**	**26.8**

Source: Company Reports.

Valuation

We have a 12-month US$10.00 price target based on an average of a 25x multiple of 2026 EPS of CDN$4.64 EPS discounted back at 40% and a 12.0x multiple of 2026 adjusted royalties of CDN$602M discounted back at 40%. We used a US$:CDN$ exchange of 1:1.31. We have forecasted a 7-year DPX-Survivac revenue rate of 25% annually and a 5-year EPS compounded growth of 25%. In our opinion, there is downside protection for investors since we excluded ROW sales, approval in other indications, and any pipeline value. Our exchange rate is US$1.00 = CDN$1.31.

Exhibit 18. Valuation Sensitivity Analysis

Multiple \ Discount Rate	20%	25%	30%	35%	40%	45%
20	$28.39	$21.78	$16.88	$13.20	$10.42	$8.30
25	$35.49	$27.22	$21.09	$16.51	**$13.03**	$10.37
30	$42.59	$32.66	$25.31	$19.81	$15.64	$12.45
35	$49.69	$38.11	$29.53	$23.11	$18.24	$14.52
40	$56.79	$43.55	$33.75	$26.41	$20.85	$16.60
45	$63.88	$48.99	$37.97	$29.71	$23.45	$18.67

Discounted Earnings Analysis	
Estimated 2026 EPS	$ 4.64
Year	2026
Periods (years)	6.5
Price target	**$13.03**

Multiple \ Discount Rate	20%	25%	30%	35%	40%	45%
8.0	$23.85	$18.29	$14.18	$11.09	$8.76	$6.97
10.0	$29.81	$22.87	$17.72	$13.87	$10.95	$8.71
12.0	$35.78	$27.44	$21.26	$16.64	**$13.14**	$10.46
14.0	$41.74	$32.01	$24.81	$19.41	$15.32	$12.20
16.0	$47.70	$36.58	$28.35	$22.18	$17.51	$13.94
18.0	$53.66	$41.16	$31.90	$24.96	$19.70	$15.68
20.0	$59.63	$45.73	$35.44	$27.73	$21.89	$17.43

Discounted Revenue Analysis	
Estimated 2026 Royalties (000s)	$ 602,123
Year	2026
Periods (years)	6.5
Shares outstanding (000s):	61,743
Price target	**$13.14**

Average Price Target Combining Both Methods
$13.08

Note: all in Canadian $.

Source: Dawson James Securities Research.

We have used a mixture of early stage cancer vaccine companies and late stage/product approved ovarian cancer companies to use an additional valuation metric. Clearly the companies that are late stage or marketing ovarian therapies are over $2B market cap, which in our opinion shows the upside to the shares if DPX-Survivac reaches the market in 2021. We have modeled an acerbated DPX-Survivac approval in ovarian cancer. TESARO has the highest EV with $2.3B. The lowest EV is TapImmune with $87M. The average EV is $1.0B with the larger cap companies and $391M without them.

Exhibit 19. Valuation Compares

Company Name	Tickers	Price from day before	Market Cap	Cash	Debt	Enterprise Value	Lead Program, Partners, Comments
Aduro BioTech, Inc.	ADRO-US	$ 7.10	$ 559	$ 307.3	$ -	$ 246	7 IO program in Phase 1/2 ; Partners include NVS (PDl-1), MRK, Genmab, JNJ
CytomX Therapeutics, Inc.	CTMX-US	$ 25.25	$ 984	$ 361.5	$ -	$ 614	CX-072 (PDL-1) is in Phase 1/2 ; 4 more Phase 1/2 in 2018; Partners include BMY, AMGN, ABBV
Clovis Oncology, Inc.	CLVS-US	$ 45.03	$ 2,366	$ 463.8	$ 305.3	$ 2,120	Rubraca® on mkt Us for recurrent ovarian cancer and in the EU w/ BRCA mutation; partner BMY
Progenics Pharmaceuticals, Inc.	PGNX-US	$ 8.99	$ 663	$ 85.9	$ 49.8	$ 616	Relistor on mkt for opioid constipations with VAL; Azedra® filed w/ PDUFA date 7/30/18 for rare adrenal gland cancer; Partner includes CytoDyn
Sangamo Therapeutics, Inc.	SGMO-US	$ 15.55	$ 1,578	$ 229.5	$ 25.4	$ 1,138	5 Phases 1/2 trials in orphan diseases; partners include PFE, Bioverativ, Shire
TESARO, Inc.	TSRO-US	$ 42.85	$ 2,349	$ 499.0	$ 440.4	$ 2,282	Varubi on mkt for nausea and vomiting. Zejula on mkt for maintenance of recurrent ovarian cancer; patners include OPKO Health, Merck, AnaptysBio, MD Anderson Cancer Center, JNJ and Takeda; 6 Phase 1 with 4 products.
TapImmune Inc.	TPIV-US	$ 8.47	$ 102	$ 2.8	$ 0.0	$ 87	
AVG			*$ 1,229*			*$ 1,015*	
IMV Inc.	IMV-CA	$ 5.82	$ 250	$ 18.5	$ 5.3	$ 229	Phase 1/2 reccurent ovarian cancer and DLBCL; partners INCY and MRK. Data 2H:18E

Source: Factset, Company reports.

Importantly, in our opinion IMV may be positioned to sign a lucrative partnership. After conduction initial Phase 1/2 combination IO studies with BMY, last February Nektar Therapeutics announced one of the largest collaborations. The companies plan to evaluate the IO candidate NKTR-214, a CD122-biased agonist designed to selectively expand cancer-fighting T cells and natural killer (NK) cells directly in the tumor micro-environment and increase PD-1 expression on those immune cells, with Opdivo (nivolumab) across numerous tumors. The deal is a broad joint clinical development plan combining NKTR-214 with Opdivo and Opdivo plus Yervoy (ipilimumab) in registration-enabling trials in more than 20 indications across 9 tumors. BMY agreed to pay $1.85B upfront: $1.0B cash and the purchase of ~88.28M shares of Nektar stock at $102.60 per share. The companies will share global profits Nektar - 65% and BMY 35%. Nektar books NKTR-214 worldwide sales and retains ability to develop NKTR-214 with other anti-cancer agents. BMY obtains exclusive rights in 20 indications across 9 tumors included in the joint clinical development plan for a specified time. Nektar is also eligible to receive an additional $1.78B in milestones, of which $1.43B are development and regulatory milestones and the remainder are sales milestones. BMY will retain 100% of product revenues for its own medicines. The parties also will share development costs relative to their ownership interest of medicines included in the trials. Recall IMV is working with both MRK and Incyte Pharmaceuticals and retains all rights to DPX-Survivac.

Risk Factors

In addition to normal economic and market risk factors that impact most equities and the common risks shared by IMV with other companies in the industry, we believe an investment in IMV involves the following risks:

- Reliance on key management – At present, IMV relies on several key members of its management team who either founded the company or have been in key executive positions for an extended period. Should one or more of these key executives leave the company, IMV could find it difficult to replace their long-standing knowledge of operations and industry expertise.

- Reliance on partnerships – To date, IMV has only signed a major development partnership with Merck KGaA for the survivac antigens and plans to sign a commercialization partner. Thus, in the future certain factors related to product commercialization and new product development may be determined by third parties and out of the control of company management. In addition, the company is dependent of a CMO for manufacturing.

- Limited stock liquidity – Trading volume in IMV stock is comparatively light and these shares have a relatively limited history of trading on major US stock exchanges compared with other healthcare stocks. As such, news regarding IMV, its target market, partners and/or competitors could lead to significant volatility in the stock price.

- Competitive Markets – The company competes with an IO product in a field that has exploded 100's of clinical trials, whether monotherapy and in combination with other IOs or chemotherapy. Many of which are considerably larger than the company. There can be no assurance that the company will be able to successfully compete and launch new products into these competitive markets in the future. In addition, there have been conflicting results with combination IO products in recent months.

- FDA and Overseas regulatory risks – IMV is subject to regulatory review for its ongoing research and development activities, principally the US FDA's application processes. In addition, the quality assurance and manufacture of the company's pharmaceutical products are subject to ongoing oversight and regulation, and any negative correspondence from the FDA or other regulatory agencies could have an adverse effect on the ongoing operations of the company.

- Need to defend patents and other intellectual property – IMV currently holds several US and International patents on its products and related technologies. The company may be required to defend its patents in the US and overseas in the future, and there can be no assurance these defenses will be successful.

Companies mentioned in this report:

Abbvie, (ABBV, not rated)

Aduro Biotech (ADRO, not rated)

AnaptyBio (ANAB, not rated)

Astra Zeneca (AZN, not rated)

Avid Bioservices (CDMO, not rated) formerly Peregrine Pharmaceuticals

Bristol Myers Squibb (BMY, not rated)

Celgene (CELG, not rated)

Clovis (CLVS, not rated)

Cytomix Therapeutics (CTMX, not rated)

Genmab A/S (CSE: GEN; Pink: GMXAY, not rated)

GlaxoSmithKline (GSK, not rated)

Incyte Pharmaceuticals (INCY, not rated)

JNJ (JNJ, not rated)

Leidos (LDOS, not rated)

H Lundbeck A/S (LUN:DC)

Merck (MRK, not rated)

Merck KGaA (Xetra:Merck, not rated)

MitsubishiTanabe (TSE: 4508, not rated)

Nektar (NKTR not rated)

Novo Nordisk, (NVO, not rated)

OPKO (OPK, not rated)

Progenix (PRGN, not rated)

Roche (RHHBY, not rated)

Sagamo (SGMO, not rated)

Sanofi (SNY, not rated)

Shire (SHPG, not rated)

Takeda (TSE Code 4502, not rated)

TapImmune (TPIV, not rated)

Tesoro (TSRO, not rated)

Zoetis (ZTS, not rated)

Appendix 1. IMV's Pipeline

IMV has many collaborations with its elaborate pipeline that are in various stage of development.

Dana-Farber Cancer Institute

The Dana-Farber Cancer Institute (DFCI) is evaluating the DPX-E7 IO candidate in a Phase 1b/2 clinical study with low-dose cyclophosphamide in patients with incurable oropharyngeal, cervical and anal cancers related to the human papillomavirus (HPV). DFCI is leading the study through a $1.5M research grant from Stand Up to Cancer and the Farrah Fawcett Foundation

UConn Health

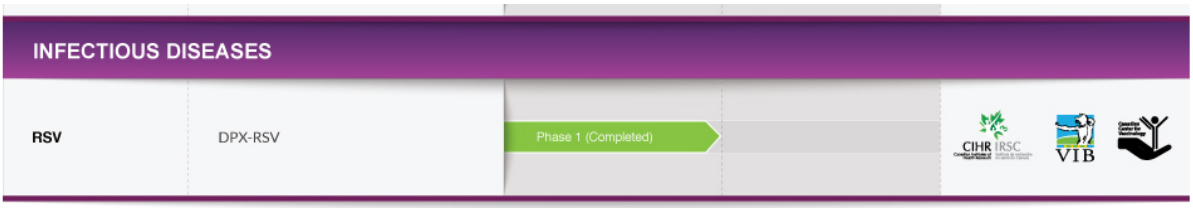
The DPX-NEO program is focused on further expanding the IO applications. The collaboration is evaluating the potential anti-cancer activity of patient-specific epitopes formulated with the delivery platform. In preclinical studies there was a positive anti-cancer and immunogenic activity of patient-specific neoepitopes formulated in DepoVax. There is tremendous potential for both the ability to efficiently and safely personalize medicines to patient-specific tumors, and the applications to a vast range of cancers.

Avid Bioservices (formerly Peregrine Pharmaceuticals)

This partnership is evaluation the possible synergistic effects of combining DPX-Survivac with bavituximab, Peregrine's investigational chimeric Mab that targets phosphatidylserine (PS). Preclinical research demonstrated that PS-targeting antibodies can enhance the anti-cancer activity of the DepoVax-based therapeutic vaccine platform.

In addition, several infectious disease programs are ongoing with partners.

Exhibit 20. IMV Infectious Disease Pipeline and Partners



Source: Company reports.

University of Edinburgh Center for Immunity, Infection and Evolution (CIIE)

We established a collaboration with CIIE to assess the potential for DepoVax-based vaccines to affect the most virulent form of malaria. Preclinical research demonstrated that CIIE-identified targets, when formulated in the DepoVax targeting platform, generated strong, sustained, antibody responses that could prevent, after a single injection, the process of malaria that is most likely to result in death.

Leidos

Leidos to explore potential applications of DepoVax-based vaccines in dangerous infectious diseases. Current preclinical research projects are evaluating potential uses in the Zika virus and malaria.

Zoetis

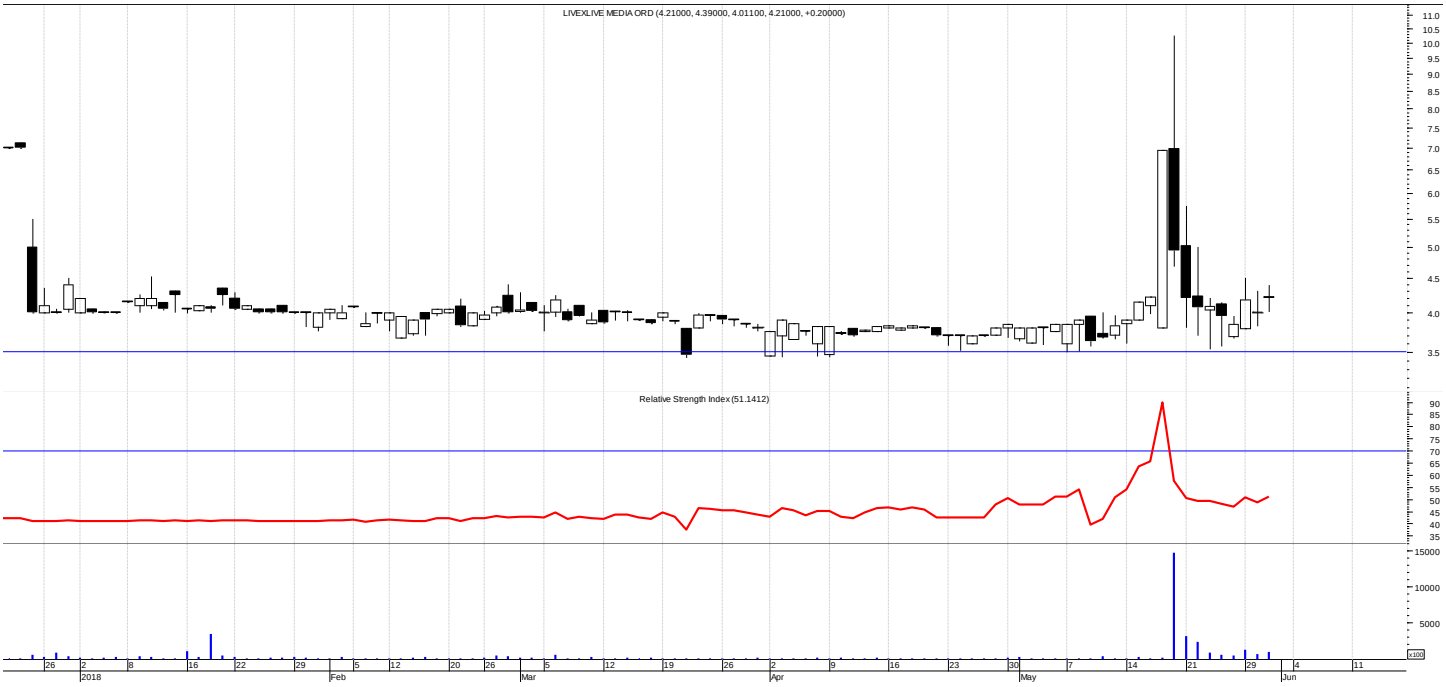
IMV has a long-standing partnership with Zoetis (formerly Pfizer Animal Health) to use the Company's vaccine delivery technology to develop enhanced cattle vaccines.

Exhibit 21. Other Programs and Partners

DEPOVAX PARTNERSHIPS			
Indication	Candidate	Progress	Partners
Malaria	Multiple antigens in DepoVax	Preclinical Ongoing	leidos, USAID
Zika	Peptides in DepoVax	Preclinical Ongoing	leidos
BVDV	Antigens in DepoVax	Animal trials	zoetis
Contraceptive	Antigens in DepoVax	Animal trials	zoetis

Source: Company reports.

Important Disclosures:



Source: Metastock

Price target and ratings changes over the past 3 years:
Initiated – Buy – June 18, 2018 – Price Target $10.00

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2) **Neutra**l: the analyst believes the price of the stock is fairly valued for the next 12-18 months;
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The following chart reflects the range of current research report ratings for all companies followed by the analysts of the Firm. The chart also reflects the research report ratings relating to those companies for which the Firm has performed investment banking services in the last twelve months.

	Company Coverage		Investment Banking	
Ratings Distribution	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	20	87%	6	30%
Market Perform (Neutral)	3	13%	0	0%
Market Underperform (Sell)	0	0%	0	0%
Total	23	100%	6	26%

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