

August 8, 2018



IMV Inc. Announces Q2 2018 Financial Results

- *Initiated Trading of Common Shares on Nasdaq; Finalized Corporate Name Change*
- *Presented New Positive Data at ASCO on the DECIDE1 trial in Ovarian Cancer*
- *Advanced Ongoing Clinical Programs with Merck and Incyte*

HALIFAX, Nova Scotia, Aug. 08, 2018 (GLOBE NEWSWIRE) -- IMV Inc. (Nasdaq:IMV) (TSX:IMV), a clinical stage immuno-oncology corporation, today released its financial and operational results for the three- and six-month period ended June 30, 2018.

“During the second quarter of 2018, we attained milestones advancing IMV’s ability to deliver novel immuno-oncology therapeutics,” stated [Frederic Ors, IMV Chief Executive Officer](#). “We listed our common shares on Nasdaq and adopted a new company name. In addition, we reported clinical data for the first time at the 2018 American Society for Clinical Oncology (ASCO) meeting. These data highlighted the strong efficacy signals of DPX-Survivac and provided a clinical demonstration of the ability of DPX-Survivac to trigger the production of T cells that can infiltrate tumors and induce tumor regression in hard-to-treat cancers.

“Based on our current financial position and operational strategy, we look forward to delivering on several anticipated milestones over the next four quarters, including:

- Expansion of our clinical program with a new phase 2 basket trial;
- Topline data from the higher dosing cohort in our clinical trial with Incyte;
- Preliminary and topline data from our triple combination phase 2 trial with Merck in diffuse large B-cell lymphoma (DLBCL); and
- Preliminary and topline data from our second triple combination phase 2 trial with Merck in ovarian cancer.”

IMV will host a conference call and webcast today at 8 a.m. ET. The dial-in number for the conference call is (844) 461-9932 (U.S. and Canada) or (636) 812-6632 (international) with the conference ID: 6583235. Those interested can access the live audio webcast at this link: <https://edge.media-server.com/m6/p/xt8xgtjx>. The webcast will be recorded and available on the IMV website for 30 days following the call.

Clinical Program Highlights – DPX-Survivac

Ovarian Cancer

- [New positive data highlighted in an oral presentation at the 2018 ASCO](#) meeting from the DECIDE1 (DPX-Survivac with low dose cyclophosphamide and Epacadostat) phase 1b/2 clinical trial in ovarian cancer with Incyte showed 7 tumor regressions, including 4 partial responses (PR, defined as $\geq 30\%$ decrease in tumor lesion size) in the first 18 evaluable patients.

- [Mechanism of action \(MOA\) analysis](#) from the ASCO data showed that DPX-Survivac generated survivin-specific T cell responses in 100% (10/10) of evaluated patients; there was an increase in T cell infiltration post treatment in 37% (3/8) analyzable tumor biopsies; and 2 of the 3 patients with T cell infiltration showed PRs with significant and durable tumor regressions lasting more than one year.
- [Expansion of the ongoing clinical collaboration with Incyte Corporation](#) by adding a phase 2 cohort. This new portion of the program will evaluate DPX-Survivac and low dose cyclophosphamide with, or without, epacadostat in patients with advanced recurrent ovarian cancer. In accordance with regulatory guidelines for combination trials, the goal of this portion of the program is to evaluate the clinical contribution of each investigational drug in the combination regimen.

Operational Highlights of Q2 2018:

- [Nasdaq listing and share consolidation](#): IMV's common shares commenced trading on the Nasdaq Stock Market LLC on June 1, 2018. In connection with the listing, a consolidation of its outstanding common shares took place on the basis of one new common share for every 3.2 outstanding common shares on May 2, 2018.
- **Corporate name change**: Because the underlying mechanism of action of DPX-based therapies represents a new class of immunotherapies and is not consistent with vaccines, the Corporation's leadership decided to change the name from Immunovaccine to IMV to better reflect the true potential of its therapeutic candidates. The shareholders of the Corporation overwhelmingly voted in favour of this change at their last meeting.
- **Addition of [Julia P. Gregory](#) to the Corporation's Board of Directors**: Ms. Gregory is a seasoned biotechnology executive most recently serving as Chief Executive Officer and Board Member of ContraFect Corporation. She previously served as the Chief Executive Officer and Board Member of the immuno-oncology company Five Prime Therapeutics.
- **Cash position**: As of June 30, 2018, cash and cash equivalents and short-term investments were \$25 million compared to \$15 million as of December 31, 2017.

Overview of Q2 2018 Financial Results

The net loss and comprehensive loss of \$5,196,000 (\$0.12 per share) and \$8,263,000 (\$0.19 per share) for the three and six-month periods ended June 30, 2018 were \$2,590,000 and \$3,588,000 higher than the net loss and comprehensive loss for the three and six-month periods ended June 30, 2017.

Research and development expenses increased by \$1,346,000 and \$2,218,000 for the three and six-month periods ended June 30, 2018, respectively compared to 2017. These increases are mainly due to the two new phase 2 clinical trials collaboration with Merck in ovarian cancer and DLBCL started in 2018 and also costs related to the preparation of the upcoming basket trial.

General and administrative expenses increased by \$1,187,000 and \$1,079,000 for the three

and six-month periods ended June 30, 2018, respectively compared to 2017. These increases are mainly due to the various expenses related to the Nasdaq listing (legal, audit and consulting fees and listing fees) that are non-recurring expenses, the filing of a shelf prospectus and an increase in patent fees.

Business development and investor relations expenses increased by \$140,000 and \$237,000 for the three and six-month periods ended June 30, 2018, respectively compared to 2017. These increases are almost entirely due to the hiring of a Senior Vice President, Business Development in January 2018.

At June 30, 2018, the Corporation had cash and cash equivalents of \$25,148,000 and working capital of \$23,959,000, compared with \$14,909,000 and \$13,627,000, respectively at December 31, 2017. For the six-month period ended June 30, 2018, IMV's cash burn rate, defined as net loss for the period adjusted for operations not involving cash (interest on lease obligation, depreciation, accretion of long-term debt, stock-based compensation and DSU compensation), was \$7 million. Based on the current business plan, the Corporation forecasts the cash burn rate to be between \$3.5-million and \$4.5-million for each of the last two quarters of 2018 depending on the timing of certain clinical expenses.

As of August 8, 2018, the number of issued and outstanding common shares was 44,893,344 and a total of 2,042,851 stock options, warrants, and deferred share units were outstanding.

The Corporation's unaudited interim condensed consolidated results of operations, financial condition and cash flows for the three and six-months period ended June 30, 2018 and the related management's discussion and analysis (MD&A) are available on SEDAR at www.sedar.com.

About IMV

IMV Inc. is a clinical stage biopharmaceutical company dedicated to making immunotherapy more effective, more broadly applicable, and more widely available to people facing cancer and other serious diseases. IMV is pioneering a new class of immunotherapies based on the Corporation's proprietary drug delivery platform. This patented technology leverages a novel mechanism of action that enables the reprogramming of immune cells *in vivo*, which are aimed at generating powerful new synthetic therapeutic capabilities. IMV's lead candidate, DPX-Survivac, is a T cell activating immunotherapy that combines the utility of the platform with a target: survivin. IMV is currently conducting three phase 2 studies with Incyte and Merck assessing DPX-Survivac as a combination therapy in ovarian cancer and diffuse large B-cell lymphoma. Connect at www.imv-inc.com.

IMV Forward-Looking Statements

This press release contains forward-looking information under applicable securities law. All information that addresses activities or developments that we expect to occur in the future is forward-looking information. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made. However, they should not be regarded as a representation that any of the plans will be achieved. Actual results may differ materially from those set forth in this press release due to risks affecting the Corporation, including access to capital, the successful completion of clinical trials and receipt of all regulatory approvals. IMV Inc. assumes no responsibility to update forward-looking statements in this press release except as required by law.

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IMV INC.

Unaudited Interim Condensed Consolidated Statements of Loss and Comprehensive Loss

(In thousands of Canadian dollars, except shares and per share amounts)

| | Three-months ended June | | Six-months ended June 30 | |
|---|-------------------------|-----------------|--------------------------|-----------------|
| | 2018 | 2017 | 2018 | 2017 |
| | \$ | \$ | \$ | \$ |
| Revenue | | | | |
| Subcontract revenue | 17 | -- | 45 | -- |
| Interest Income | 112 | 36 | 181 | 70 |
| Total revenue | 129 | 36 | 226 | 70 |
| Expenses | | | | |
| Research and development | 2,605 | 1,259 | 4,487 | 2,269 |
| General and administrative | 2,046 | 859 | 2,968 | 1,889 |
| Business development and investor relations | 594 | 454 | 962 | 725 |
| Government assistance | (189) | (202) | (464) | (378) |
| Accreted interest | 269 | 272 | 536 | 540 |
| Total operating expenses | 5,825 | 2,642 | 8,489 | 5,045 |
| Net loss and comprehensive loss | (5,196) | (2,606) | (8,263) | (4,975) |
| Basic and diluted loss per share | (0.12) | (0.07) | (0.19) | (0.13) |
| Weighted-average shares outstanding | 43,001,620 | 37,657,361 | 42,539,304 | 37,310,192 |

IMV INC.

Unaudited Interim Condensed Consolidated Statements of Financial Position

(Expressed in thousands of Canadian dollars except for per share amounts)

| | June 30, 2018 | December 31, 2017 |
|--|------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 25,148 | \$ 14,909 |
| Accounts receivable | 909 | 261 |
| Prepaid expenses | 1,742 | 838 |
| Investment tax credits receivable | 523 | 461 |
| Total current assets | <u>28,322</u> | <u>16,469</u> |
| Property and equipment | 2,225 | 563 |
| Total assets | <u>\$ 30,547</u> | <u>\$ 17,032</u> |
| Liabilities and Equity | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 4,248 | \$ 2,760 |
| Amounts due to directors | 22 | 21 |
| Current portion of long-term debt | 62 | 61 |
| Current portion of lease obligations | 31 | -- |
| Total current liabilities | <u>4,363</u> | <u>2,842</u> |
| Long-term portion of lease obligation | 1,355 | -- |
| Deferred share units | 1,292 | 1,371 |
| Long-term debt | 6,977 | 6,476 |
| Total liabilities | <u>13,987</u> | <u>10,689</u> |
| Equity: | | |
| Share Capital | 89,092 | 70,113 |
| Contributed Surplus | 5,995 | 6,375 |
| Warrants | 555 | 674 |
| Deficit | <u>(79,082)</u> | <u>(70,819)</u> |
| Total equity | <u>16,560</u> | <u>6,343</u> |
| Total liabilities and equity | <u>\$ 30,547</u> | <u>\$ 17,032</u> |



Source: IMV Inc.