



PROTECTIVE ELECTIVE FILING

Important Tax Notice to US Shareholders of IMV Inc. (formerly known as Immunovaccine Inc.)

This statement is provided for certain United States (“**US**”) shareholders of IMV Inc. (“**IMV**” or the “**Company**”) ¹ who are US citizens, US residents, and other persons classified as “US persons” (hereinafter referred to as the “**US Holder**”) under the applicable US tax rules. It is not relevant for non-US shareholders of the Company.

Based on previous Internal Revenue Service (the “**IRS**”) guidance, IMV may not be classified as a Passive Foreign Investment Company (“**PFIC**”), as defined in IRC § 1297(a).² Nevertheless, we are offering this PFIC Annual Information Statement (the “**AIS**”) pursuant to Treas. Reg. § 1.1295-1(g)(1) for US Holders who may wish to file IRS Form 8621, on a protective basis, in connection with their ownership of IMV shares for US federal income tax purposes.

In order to avoid certain adverse US federal income tax consequences resulting from a deemed PFIC classification of a corporation, a US Holder of IMV shares may choose to have IMV treated, with respect to such US Holder, as a “Qualified Electing Fund” or a QEF (an “**Electing Shareholder**”). The QEF election applies to all ordinary shares that the Electing Shareholder held or subsequently acquired and can only be revoked with consent of the IRS. The QEF election must be made on or before the due date (after taking into account extensions) for the Electing Shareholder’s US federal income tax return for the taxable year for which the election is made and, once made, will be effective for all subsequent taxable years of such person unless revoked.

The Electing Shareholder will generally be required to include in its current gross income the pro rata share of such shareholder’s IMV’s annual ordinary earnings and net capital gains (the “**Current Income Inclusion**”), if any, in any taxable year for which IMV is a PFIC, regardless of whether or not distributions were received thereof. In addition, the Current Income Inclusion is notwithstanding whether or not the IMV shares were held by the Electing Shareholder for an entire taxable year or merely at the end of IMV’s current taxable year. The Current Income Inclusion also does not take into account IMV’s prior year losses. Tax would need to be paid currently on such income, unless an election is made to defer such payment (interest charges would apply as a result, however). The Electing Shareholder’s adjusted tax basis in IMV shares should be increased to reflect such taxes paid on undistributed earnings and profits. Any subsequent distributions of IMV’s earnings and profits that had been previously taxed will result in a corresponding reduction in the adjusted tax basis in the ordinary shares held by the Electing Shareholder and will not be taxed again once distributed.

A primary advantage of a QEF election pertains to the treatment of gain upon disposition of such shares. So long as the Electing Shareholder’s QEF election is in effect with respect to the entire

¹ The common shares of the Company are currently listed on the Nasdaq Stock Market and the Toronto Stock Exchange under the symbol “IMV.”

² Unless otherwise indicated, all “IRC §” references are to the Internal Revenue Code of 1986, as amended (the “IRC”), and all “Treas. Reg. §” references are to the Treasury Regulations issued thereunder, both as amended as of the date of this document.



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holding period of the IMV shares, any gain or loss realized by such shareholder on the sale or exchange of such shares, held

as capital assets, ordinarily would be a capital gain or loss and taxable to such shareholder in the same manner as if the shares were not shares in a PFIC.

In certain circumstances, US Holders are permitted to make retroactive elections, including if the US Holder had a reasonable belief that the Company was not a PFIC and filed a protective election. US Holders should consult their own tax advisors to establish the consequences of making a protective QEF election or other consequences associated with making a QEF election.

Even if it is not made in a timely fashion, a QEF election can still be made together with a deemed sale election or “purging election” for the same taxable year. If a purging election is made, the US Holder will be treated as if the US Holder had sold IMV’s ordinary shares at its fair market value on the last day of IMV’s taxable year and will recognize gain, but not loss, on such deemed sale in accordance with the general PFIC rules, including the interest charge provisions described above. Thereafter, the US Holder’s interest will be treated as an interest in a QEF.

We recommend that US Holders consult their own tax advisor to ascertain the overall tax consequences from the ownership of the Company and such US Holder’s US federal income tax reporting requirements. You can also find information on US tax rules applicable to investments in a PFIC on the IRS website, [irs.gov](http://www.irs.gov), by searching for “Form 8621 Instructions.” (<http://www.irs.gov/pub/irs-pdf/i8621.pdf>)

The information included in the AIS below should enable US Holders to treat the Company as a QEF. US Holders should consult their own tax advisors to determine the appropriate US federal income tax treatment of their investment in IMV shares.

The AIS is intended to help US Holders make a QEF election for their investment in the shares of IMV, should such US Holders decide to do so. Neither the AIS nor this letter constitutes tax advice. US Holders should seek the advice of their own tax advisor to determine the appropriate US federal income tax treatment of their investment in IMV shares.

If you have any questions regarding this matter, please contact your US tax advisor. Thank you for investing in IMV Inc.

US HOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS ABOUT THE POSSIBLE APPLICABILITY OF THE PFIC RULES AND THE AVAILABILITY OF MAKING QEF ELECTIONS TO MITIGATE ADVERSE US TAX CONSEQUENCES FROM THE INVESTMENT IN THE SHARES OF IMV.



IMV Inc. (formerly known as Immunovaccine Inc.)

PFIC Annual Information Statement (i.e. the AIS) Pursuant to Treas. Reg. § 1.1295-1(g)(1)

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For the Year Ending December 31, 2018

- 1) This Information Statement applies to the taxable year of the Company commencing on January 1, 2018 and ending on December 31, 2018.
- 2) The pro rata share amounts of ordinary earnings and net capital gain (as defined in Treas. Reg. § 1.1293-1(a)(2)) of IMV Inc. (“IMV”)¹ for the period specified in paragraph (1) are as follows:

	Ordinary Earnings (US\$)	Net Capital Gains (US\$)
IMV Shares	0.00000	0.00000

- 3) The pro rata portions per share of the distributions² for each share of IMV Inc. for the period specified in paragraph (1) are as follows:³

	Property Distributions (US\$)	Cash Distributions (US\$)
IMV Shares	0.00000	0.00000

- 4) Pursuant to Treas. Reg. § 1.1295-1(g)(1)(ii)(C), IMV will, upon request, permit you to examine IMV’s books of account, records, and other such documents to calculate IMV’s ordinary earnings and net capital gains in accordance with US federal income tax accounting principles and to calculate your pro rata share of IMV’s ordinary earnings and net capital gains.

By: Pierre Labbe
Title: Chief Financial Officer

¹ The common shares of IMV are currently listed on the Nasdaq Stock Market and the Toronto Stock Exchange under the symbol “IMV.”

² Under the relevant US federal income tax reporting rules, cash distributions solely include distributions denominated in US currency. Distributions denominated in foreign currency, such as Canadian Dollar, are reported as property distributions.

³ All amounts are reported in US Dollars. Distributions represent average distributions that are not reinvested in the fund. If you have elected to reinvest your distributions, the above amount may not be reflective of the actual distribution amount you received during the year. If you have made a QEF election, your basis in your fund securities is based on your investment in the fund before the election, plus your share of ordinary earnings and/or net capital gains less the actual distributions you have received during the year. You should consult your own US tax advisor to determine your adjusted tax basis in the IMV shares during the year for US federal income tax purposes.

Date: April 15, 2019



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THIS INFORMATION CONTAINED HEREIN IS TAKEN FROM THE ACCOUNTING RECORDS AND AUDITED FINANCIAL STATEMENT OF IMV INC. AND IS PROVIDED IN ORDER TO ASSIST INVESTORS IN MAKING CALCULATIONS AND DOES NOT CONSTITUTE TAX ADVICE. INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS SHOULD CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE APPROPRIATE US FEDERAL, STATE, LOCAL OR FOREIGN LAW INCOME AND NON-INCOME TAX TREATMENT OF THEIR INVESTMENT IN IMV SHARES.

THIS DOCUMENT IS NOT TO BE CONSTRUED AS AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES.