A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada, except Québec, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities in those jurisdictions.

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any U.S. state securities laws, and therefore may not be offered or sold to, or for the account or benefit of, persons in the United States of America, its territories or possessions, any State of the United States or the District of Columbia (collectively, the "**United States**") or "U.S. persons," as such term is defined in Regulation S promulgated under the U.S. Securities Act ("**U.S. Persons**"), except pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation to buy any of such securities to, or for the account or benefit of, persons in the United States or U.S. Persons. See "Plan of Distribution".*

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request from Sernova Corp. without charge at 700 Collip Circle, Suite 114, London, Ontario, N6G 4X8; Telephone: 1-519-858-5126, info@sernova.com and are also available electronically at www.sedarplus.com.*

PRELIMINARY SHORT FORM PROSPECTUS

New Issue June 6, 2024

SERNOVA CORP.

Minimum Offering: $6,500,000 (19,696,970 Units)

Maximum Offering: $10,000,000 (30,303,030 Units)

$0.33 per Unit

This preliminary short form prospectus (the "**Prospectus**") qualifies the distribution (the "**Offering**") of a minimum of 19,696,970 (the "**Minimum Offering**") and a maximum of 30,303,030 (the "**Maximum Offering**") units (the "**Units**") of Sernova Corp. ("**Sernova**" or the "**Company**"), at a price of $0.33 per Unit (the "**Offering Price**") for gross proceeds of a minimum of $6,500,000 and a maximum of $10,000,000. Each Unit consists of one common share in the capital of the Company (a "**Common Share**", and each Common Share comprising part of a Unit, a "**Unit Share**") and one Common Share purchase warrant (a "**Warrant**"). Each Warrant will entitle the holder thereof to purchase one Common Share (a "**Warrant Share**") at an exercise price of $0.40 per Warrant Share (the "**Exercise**

Price"), subject to adjustment in certain circumstances, at any time prior to 5:00 p.m. (Toronto time) on the date that is 36 months following the Closing Date (as defined below) (the "**Expiry Date**").

The Warrants shall be governed by the terms of a warrant indenture (the "**Warrant Indenture**") to be dated as of the Closing Date between the Company and TSX Trust Company (the "**Warrant Agent**"), as warrant agent.

The Units will be offered for sale on a "best efforts" agency basis without underwriter liability pursuant to the terms and conditions of an agency agreement (the "**Agency Agreement**") to be entered into between the Company and Stifel Nicolaus Canada Inc., as lead agent and sole bookrunner (the "**Lead Agent**"), on its own behalf and on behalf of a syndicate of agents (together with the Lead Agent, the "**Agents**"). The Offering Price and other terms of the Offering were determined by arm's length negotiation between the Company and the Lead Agent. See "*Plan of Distribution".*

The Units will be offered in each of the provinces of Canada, other than Québec. The Units may also be offered for sale to, or for the account or benefit of, persons in the United States and U.S. Persons by or through one or more United States registered broker-dealers affiliated with or appointed as sub-agents by the Agents (each a "**U.S. Placement Agent**"), under certain exemptions from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Certain insiders of the Company may purchase Units under the Offering. See "*Plan of Distribution*".

The issued and outstanding Common Shares of the Company are listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "SVA". On June 5, 2024, the last day the Common Shares traded on the TSX prior to the date of this Prospectus, the closing price of the Common Shares on the TSX was $0.385. The Common Shares are also listed under the symbol "SEOVF" on the OTCQB Venture Market, and under the symbol "PSH" on the Frankfurt Stock Exchange and on Xetra, the electronic trading system of Deutsche Börse AG. The Warrants will not be listed on any stock exchange or electronic trading system and there is currently no market through which the Warrants may be sold.

An investment in the Units is subject to a number of risks that should be considered by a prospective purchaser. See "Risk Factors".

	Price to the Public	**Agents' Fee [(1)(2)(3)]**	**Net Proceeds to the Company[(4)]**
Per Unit	$0.33	$0.02	$0.31
Total (Minimum Offering)[(5)]	$6,500,000	$390,000	$6,110,000
Total (Maximum Offering)[(1)(6)]	$10,000,000	$600,000	$9,400,000

Notes:

(1) Assumes no exercise of the Over-Allotment Option (as defined below) and no President's List (as defined below). Also assumes Agents' Fee (as defined below) paid entirely in cash.

(2) Pursuant to the Agency Agreement, the Agents will receive a cash commission (the "**Agents' Fee**") equal to 6% of the gross proceeds of the Offering or equal to 3% with respect to gross proceeds from investors on the President's List (including in respect of any exercise of the Over-Allotment Option, if any). In addition, the Company will grant to the Agents such number of warrants (the "**Broker Warrants**") equal to 6% of the aggregate number of Units issued under the Offering (including in respect of any exercise of the Over-Allotment Option) or equal to 3% with respect to the number of Units issued to investors on the President's List. Each Broker Warrants shall entitle the holder thereof to acquire one Common Shares (a "**Broker Warrant Share**") at the Offering Price at any time prior to 5:00 p.m. (Toronto time) on the date that is 36 months from the Closing Date. See "*Plan of Distribution*".

(3) The Company shall provide the Agents a president's list of investors (the "**President's List**") that may subscribe in the Offering. Provided the Agents deliver subscribers for the Minimum Offering, the President's List shall include subscriptions for up to a maximum of 3,030,303 Units for gross proceeds of up to $1,000,000.

(4) After deducting the Agents' Fee, but before deducting the expenses of the Offering estimated to be approximately $400,000, including listing fees and the reasonable expenses of the Agents incurred in connection with the Offering, to be paid by the Company from the net proceeds of the Offering. See "*Use of Proceeds*".

(5) Pursuant to the terms of the Agency Agreement, all subscription funds received from subscribers will be retained in trust by the Agents until the Minimum Offering is obtained. Once the Minimum Offering has been obtained, the sale of Units shall be completed in accordance with the Agency Agreement.

(6) The Company has granted the Agents an option (the "**Over-Allotment Option**"), exercisable, in whole or in part, at the sole discretion of the Agents, at any time for a period of 30 days from and including the Closing Date, to sell up to an additional number of Units, as is equal to 15% of the number of Units issued pursuant to the Offering (the "**Over-Allotment Units**") at the Offering Price, with each Over-Allotment Unit consisting of one Common Share (each an "**Over-Allotment Share**") and one Common Share purchase warrant (each an "**Over-Allotment Warrant**"), to cover the Agent's over-allocation position, if any, and for market stabilization purposes. The Over-Allotment Option shall be exercisable for any number of Over-Allotment Units, Over-Allotment Shares, Over-Allotment Warrants, or any combination thereof at a price equal to the Offering Price for a Unit and a price to be agreed upon for the Over-Allotment Shares and Over-Allotment Warrants. Each Over-Allotment Warrant shall be exercisable into one Common Share (each an "**Over-Allotment Warrant Share**") at an exercise price of $0.40 per Over-Allotment Warrant Share at any time prior to the Expiry Date, subject to adjustment on the same terms as the Warrants. Unless the context otherwise requires, all references to "Units", "Unit Shares", "Warrants" and "Warrant Shares" in this Prospectus include reference to the Over-Allotment Units, Over-Allotment Shares, Over-Allotment Warrants and Over-Allotment Warrant Shares, respectively, that may be issued pursuant to the exercise of the Over-Allotment Option. Assuming the Maximum Offering and the Over-Allotment Option is exercised in full for Over-Allotment Units and assuming no Units are purchased by investors on the President's List, the total "Price to the Public", "Agents' Fee" and "Net Proceeds to the Company" will be respectively, $11,500,000, $690,000 and $10,810,000. This Prospectus qualifies, if applicable, the distribution of the Over-Allotment Units. A purchaser who acquires securities forming part of the Agents' over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "*Plan of Distribution*".

The following table sets forth the number of securities issuable under the Over-Allotment Option and the maximum number of Broker Warrants that may be issued to the Agents:

Agents' Position	Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option	4,545,455 Over-Allotment Units (1)	Up to 30 days from and including the Closing Date	$0.33 per Over-Allotment Unit
Broker Warrants	2,090,909 Broker Warrants(2)	Exercisable for a period of 36 months following the first Closing Date	$0.33 per Broker Warrant

Notes:

(1) Assuming the Over-Allotment Option is exercised in full.
(2) Assuming the Over-Allotment Option is exercised in full and there are no President's List investors to the Offering.

Unless the context otherwise requires, all references to "Units", "Unit Shares", "Warrants" and "Warrant Shares" in this Prospectus include reference to the Over-Allotment Units, Over-Allotment Shares, Over-Allotment Warrants and Over-Allotment Warrant Shares, respectively, that may be issued pursuant to the exercise of the Over-Allotment Option and includes all securities issuable thereunder.

The Agents conditionally offer the Units on a "best efforts" agency basis, without underwriter liability, subject to prior sale, if, as and when issued by the Company and delivered to and accepted by the Agents in accordance with the terms and conditions contained in the Agency Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on the Company's behalf by its legal counsel, McMillan LLP, and on behalf of the Agents by their legal counsel, Borden Ladner Gervais LLP.

Subject to applicable laws and in connection with this Offering, the Agents may over-allot or effect transactions that stabilize or maintain the price of the Common Shares at levels other than those which otherwise might prevail on the open market in accordance with applicable stabilization rules. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

Subscription for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Closing of the Offering is expected to occur on or about June 20, 2024, or such other date as may be agreed upon by the Company and the Lead Agent (the "**Closing Date**"), but in any event no Closing Date shall be later than ninety (90) days following the date of issuance of a receipt for the final short form prospectus by the applicable securities commissions. See "*Plan of Distribution*".

Pursuant to the terms of the Agency Agreement, the Company shall reimburse the Agents for certain expenses incurred in connection with the Offering, indemnify the Agents and their directors, officers, employees, and agents against certain liabilities and expenses, and contribute to payments the Agents may be required to make in respect thereof.

Subject to certain limited exceptions, it is anticipated that the Unit Shares and Warrants will be deposited electronically with CDS Clearing and Depository Services Inc. ("**CDS**") or its nominees on the Closing Date. Transfers of ownership of the Unit Shares or Warrant Shares deposited with CDS will be effected through records maintained by participants in the CDS depository service (the "**CDS Participants**"), which include securities brokers and dealers, banks and trust companies. Indirect access to the CDS book-based system is also available to other institutions that maintain custodial relationships with a CDS Participant, either directly or indirectly. Subject to certain limited exceptions, purchasers of Units will receive only a customer confirmation of Unit Shares and Warrants from the CDS Participant from or through which such Units are purchased in accordance with the practices and procedures of such CDS Participant. No certificates representing the Units, Unit Shares, Warrants or Warrant Shares will be issued unless it is specifically requested or required. Notwithstanding the foregoing, Unit Shares and Warrants issued to, or for the account or benefit of, persons in the United States or U.S. Persons that are Accredited Investors (as defined below) shall be issued in the form of definitive certificates or DRS statements representing such securities.

The Company has applied to the TSX to list the Unit Shares, the Warrant Shares, and the Broker Warrant Shares to be distributed under this Prospectus on the TSX. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX.

There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased in the Offering. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation. See "Risk Factors" in this Prospectus and the AIF (as defined below).

An investment in the Units is speculative and involves a high degree of risk that should be considered by potential purchasers. The Company is subject to risks due to the nature of the Company's business and its stage of development. An investment in the Units is suitable only for those purchasers who are willing to risk a loss of some or all of their investment and who can afford to lose some or all of their investment. See "Risk Factors" and "Forward-Looking Information" in this Prospectus and the AIF.

See "*Rights of Withdrawal and Rescission*" for information about the right to withdraw or rescind from an agreement to purchase securities.

The following persons reside outside of Canada and have appointed the following agent for service of process in Canada:

Name of Person	Name and Address of Agent
Cynthia Pussinen	McMillan LLP Royal Centre, Suite 1500 1055 West Georgia Street, PO Box 11117 Vancouver, British Columbia Canada V6E 4N7
Nicholas J. Rossettos	
Dr. Bernd Muehlenweg	
Jonathan Rigby	

Purchasers are advised that it may not be possible for investors to enforce judgements obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

The Company's head office is located at Suite 114 – 700 Collip Circle, London, Ontario N6G 4X8. The registered and records office of the Company is located at 15th Floor, 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

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IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS

In this Prospectus, unless the context otherwise requires, references to "we", "us", "our", "Sernova" or the "Company", refer to Sernova Corp.

You should rely only on the information contained or incorporated by reference in this Prospectus and are not entitled to rely on only certain parts of the information contained or incorporated by reference in this Prospectus to the exclusion of the remainder. The Company and the Agents have not authorized anyone to provide investors with different or additional information. If anyone provides you with different or additional information, you should not rely on it. The Company and the Agents are not making an offer to sell or seeking an offer to buy the Units in any jurisdiction where the offer or sale is not permitted. Prospective investors should assume that the information contained in this Prospectus is accurate only as of the date on the front of this Prospectus and that information contained in any document incorporated by reference in this Prospectus is accurate only as of the date of that document, regardless of the time of delivery of this Prospectus or of any sale of Units pursuant hereto. The Company's business, financial condition, results of operations and prospects may have changed since those dates.

The Company has not done anything that would permit the offering or distribution of its securities under this Prospectus in any jurisdiction in which such offer is not permitted. Investors are required to inform themselves about, and to observe any restrictions relating to, any offering or distribution of its securities under this Prospectus.

This Prospectus contains and incorporates by reference documents that contain market data, scientific data, industry data and forecasts. This information is based on the Company's management estimates or expectations. In arriving at their estimates or expectations, the Company's management relies on third-party market and industry data and forecasts, industry publications and other publicly available information. While these third-party sources are believed to be reliable, neither the Company nor the Agents have independently verified the information that they contain, and neither the Company nor the Agents make any representation as to the accuracy of such information.

Information contained in this Prospectus should not be construed as legal, tax or financial advice and readers are urged to consult with their own professional advisors in connection therewith.

Prospective purchasers are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of Unit Shares and Warrants.

FORWARD-LOOKING INFORMATION

This Prospectus, including the documents incorporated by reference, contains forward-looking statements and forward-looking information as such terms are defined under applicable Canadian securities laws. Such forward-looking statements and forward-looking information include statements with respect to management's expectations regarding the future growth, results of operations, performance and business prospects of the Company, and relate to, without limitation:

- the timing and closing of the Offering;
- the satisfaction of the conditions to closing of the Offering, including the receipt, in a timely manner, of regulatory and other required approvals;

- the terms of the Offering (including the manner of distribution and execution of the Agency Agreement) and the exercise of the Over-Allotment Option;
- the anticipated use of the net proceeds of the Offering and the estimated cost of the Offering;
- financial and other projections, future plans, objectives, performance, revenues, growth, profits or operating expenses;
- the Company's expectations regarding reaching commercial production;
- the Company's business objectives and the milestones for the calendar year 2024;
- risks associated with the Company's early stage of development and its ability to secure positive results from the Company's research and development activities, including the completion of its research and development plans, business model, strategic objectives and growth strategy;
- the Company's future capital requirements and the need for additional financing for other programs;
- the Company's reliance on key personnel;
- the Company's ability to commercialize its products;
- the Company's expectations regarding Common Share price fluctuations; and
- the effects on the ability of the Company to carry on business with respect to: the impact of potential future pandemics, bank failures, inflation, supply chain issues, and general business disruptions stemming from global conflicts including but not limited to the Russia-Ukraine War and the Israel-Hamas War.

These forward-looking statements and forward-looking information may also include other statements that are predictive in nature, or that depend upon or refer to future events or conditions. Without limitation, the words "may", "will", "would", "should", "could", "expect", "plan", "intend", "trend", "indication", "assume", "anticipate", "believe", "estimate", "predict", "likely" or "potential", or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Forward-looking statements and forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

With respect to forward-looking statements and forward-looking information contained in this Prospectus, assumptions have been made regarding, among other things: the Company's ability to continue as a going concern; the Company's ability to complete the Offering; the Company's anticipated use of proceeds; the Company's ability to maintain and procure future manufacturing agreements for its product candidates on commercially reasonable terms and at all; future research and development plans for the Company proceeding substantially as currently envisioned; the Company's ability to secure appropriate licensing and regulatory approvals; future expenditures to be incurred by the Company; research and development and operating costs; the Company's ability to form strategic relationships in the biotechnology industry; additional sources of funding, including the Company's ability to obtain funding from any strategic relationship; the ability of the Company to retain key talent and to secure additional expertise; the impact of competition on the Company; protection of the Company's intellectual property rights; the ability of the Company's partners to execute and deliver successfully; the Company being able to obtain financing on acceptable terms or at all;

the spread of infectious diseases; and the ability of the Company to successfully mitigate the negative impacts of global conflicts.

Although management believes the expectations reflected in such forward-looking statements and forward-looking information are reasonable, forward-looking statements and forward-looking information are based on the opinions, assumptions and estimates of management at the date that such statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements and forward-looking information. More detailed assessment of these risks that could cause actual events or results to materially differ from the Company's current expectations can be found in the AIF under the heading "Risk Factors" filed with the Canadian securities authorities (on the System for Electronic Data Analysis and Retrieval + ("**SEDAR+**") at www.sedarplus.com) and under the heading "Risk Factors" in this Prospectus.

If any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in, or incorporated by reference into, this Prospectus. Accordingly, prospective purchasers are cautioned not to place undue reliance on such statements.

All of the forward-looking statements and forward-looking information in this Prospectus, and the documents incorporated herein by reference are qualified by these cautionary statements. Statements containing forward-looking statements and/or forward-looking information contained herein and in the documents incorporated by reference are made only as of the date of such document. The Company and the Agents expressly disclaim any obligation to update, revise or alter statements containing any forward-looking statements or forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law. New factors emerge from time to time, and it is not possible for the Company to predict which factors may arise. In addition, the Company cannot assess the impact of each factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements or forward-looking information.

This Prospectus also contains future-oriented financial information and/or financial outlook ("**FOFI**"). The FOFI contained herein includes information about the Company's future financial position, anticipated revenues, operating costs, use of proceeds of the Offering, and other expenditures. Such FOFI is subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. The Company's actual results, performance and achievements could differ materially from those expressed in, or implied by, such FOFI. The Company has included such FOFI in order to provide readers with a more complete perspective on the Company's business and such information may not be appropriate for other purposes. This FOFI is prepared as of the date of this Prospectus.

MARKET AND INDUSTRY DATA

Certain information in this Prospectus or in documents incorporated by reference herein is obtained from third party sources (including industry publications surveys and forecasts), including public sources, as well as management studies and estimates. There can be no assurance as to the accuracy or completeness of such information.

Unless otherwise indicated, the Company's estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from its internal research, and include assumptions made by the Company which it believes to be reasonable based on its knowledge of the industry and markets in which it operates. Although the Company believes these sources to be generally reliable, market and industry data are subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process, and other limitations and

uncertainties inherent in any statistical survey. Although believed to be reliable, management of the Company has not independently verified any of the data from third party sources unless otherwise stated.

While the Company believes the market position, market opportunity, and market share information included in this Prospectus are generally reliable, such information is inherently imprecise. In addition, projections, assumptions, and estimates of the future performance of the Company and the future performance of the industry and markets in which it operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the headings "*Forward-Looking Information*" and "*Risk Factors*" in this Prospectus.

PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise indicated, all references to "$" or "dollars" in this Prospectus refer to Canadian dollars, which is the Company's functional currency.

The consolidated financial statements of the Company incorporated herein by reference are reported in Canadian dollars and are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities regulatory authorities in certain of the provinces of Canada. Copies of the documents incorporated herein are available electronically at www.sedarplus.com.

The following documents of the Company filed with securities commissions or similar regulatory authorities in each of the provinces of Canada, other than Québec, are incorporated by reference into this Prospectus:

(a) the annual information form of the Company dated January 26, 2024, for the year ended October 31, 2023 (the "**AIF**");

(b) the management information circular of the Company dated March 19, 2024 for the annual general meeting of shareholders of the Company held on April 30, 2024;

(c) the audited consolidated financial statements of the Company dated January 26, 2024, for the years ended October 31, 2023 and 2022 together with the notes thereto, and the auditor's report on the audited consolidated financial statements of the Company for the year ended October 31, 2023 (the "**2023 Financial Statements**");

(d) the management's discussion and analysis of the Company for the years ended October 31, 2023 and 2022 dated January 26, 2024;

(e) the interim condensed consolidated financial statements for the three months ended January 31, 2024 and 2023 and related notes, dated March 14, 2024 and as amended on May 7, 2024 (the "**Interim Financial Statements**");

(f) the management's discussion and analysis of the Company dated March 14, 2024, for the three months ended January 31, 2024 and 2023; and

(g) the template version of the term sheet dated June 6, 2024, filed on SEDAR+ in connection with the Offering (the "**Marketing Materials**").

Any document of the type referred to in section 11.1 of Form 44-101F1 – *Short Form Prospectus,* if filed by the Company after the date of this Prospectus and prior to the distribution of the Units, shall be deemed to be incorporated by reference in this Prospectus.

Applicable portions of the documents listed above are not incorporated by reference to the extent their contents are modified or superseded by a statement contained in this Prospectus or in any subsequently filed document which is also incorporated by reference in this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference is deemed to be modified or superseded, for purposes of this Prospectus, to the extent its content is modified or superseded by a statement contained in this Prospectus or in any other subsequently filed document that is also incorporated by reference in this Prospectus. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information contained in the document that it modifies or supersedes.

The making of a modifying or superseding statement is not an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not, except as so modified or superseded, constitute a part of this Prospectus.

MARKETING MATERIALS

The Marketing Materials are not part of this Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus. Any template version of "marketing materials" (as defined in NI 41-101) filed after the date of this Prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated into this Prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of McMillan LLP, counsel to the Company, and Borden Ladner Gervais LLP, counsel to the Agents, the Unit Shares, the Warrants and the Warrant Shares, if issued on the date hereof, would be, at the time of issuance, "qualified investments" under the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") for a trust governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan, tax-free savings account, tax-free first home savings account (each a "**Registered Plan**") or deferred profit sharing plan ("**DPSP**"), provided that at such time, (i) in the case of the Unit Shares and Warrant Shares, the Unit Shares or Warrant Shares, as applicable, are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX) or the Company is a "public corporation" (other than a "mortgage investment corporation") as defined in the Tax Act, and (ii) in the case of the Warrants, the Warrant Shares are qualified investments as described in (i) above and the Company is not, and deals at arm's length with each person who is, an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, such Registered Plan or DPSP.

Notwithstanding the foregoing, the annuitant, holder or subscriber, as the case may be, of a Registered Plan (each, a "**Registered Holder**") will be subject to a penalty tax if the Unit Shares, Warrants or Warrant Shares held in a Registered Plan are a "prohibited investment" for that Registered Plan pursuant to the Tax Act. The Unit Shares, Warrants and Warrant Shares will generally be a "prohibited investment" for a particular Registered Plan if a Registered Holder in respect thereof has a "significant interest" (as defined in subsection 207.01(4) of the Tax Act) in the Company or the Registered Holder does not deal at arm's length with the Company for the purposes of the Tax Act. The Unit Shares and Warrant Shares will not be a prohibited investment if they are "excluded property" (as defined in subsection 207.01(1) of the Tax Act) for trusts governed by a Registered Plan.

Prospective purchasers who intend to hold Unit Shares, Warrant Shares or Warrants in trusts governed by Registered Plans or DPSPs should consult their own tax advisors in regard to the application of these and other rules under the Tax Act in their particular circumstances.

SUMMARY DESCRIPTION OF THE BUSINESS

Name, Incorporation and Corporate Structure

The Company was initially incorporated under the *Company Act* (British Columbia) (now the *Business Corporations Act* (British Columbia)) on August 19, 1998, under the name of "Pheromone Sciences Corp.". Effective May 29, 2001, the Company was continued under the *Canada Business Corporations Act* ("**CBCA**"). Effective November 1, 2001, the Company was amalgamated with 3927849 Canada Inc. to form a new amalgamated corporation under the name "Pheromone Sciences Corp." pursuant to s. 185 of the CBCA. On September 20, 2006, the Company filed Articles of Amendment to change its name to "Sernova Corp.".

The Company's registered office is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, Canada V6E 4N7, and its current head office is located at 700 Collip Circle, Suite 114, London, Ontario, Canada N6G 4X8. The Company's telephone number is (519) 858-5126, fax number is (519) 858-5099 and its website address is www.sernova.com.

The Company is a reporting issuer in each of the provinces of Canada, other than Québec. The Common Shares are listed for trading on the TSX under the symbol "SVA", the OTCQB in the U.S. under the symbol "SEOVF", and the Frankfurt Stock Exchange and on Xetra, the electronic trading system of Deutsche Börse AG in Germany, under the symbol "PSH".

The Company has one material subsidiary, Sernova (US) Corp., which is a wholly-owned subsidiary of the Company and was incorporated in the State of Delaware on November 28, 2023, resulting from the conversion from a State of Nevada corporation which was originally incorporated as Sertocell Biotechnology (US) Corp. on June 14, 2006. Its registered office is located at 1209 Orange Street, Wilmington, New Castle County, Delaware 19801 and is registered at 155 Federal Street, Suite 700, Boston, MA 02110 as a foreign corporation to do business in the Commonwealth of Massachusetts.

Business Overview

The Company is a clinical-stage regenerative medicine therapeutics company focused on the development and commercialization of its proprietary platform and associated technologies, including Cell Pouch™ implantable device technologies and immune-protected therapeutic cells, herein termed Cell Pouch System™. The Company is well positioned to develop assets pre-clinically and to the point of conducting phase 1 and 2 studies, at which time the Company aims to partner and/or out license its clinical assets. This intention does not preclude the

Company from progressing assets through later stages of development, including phase 3 studies and licensure, internally.

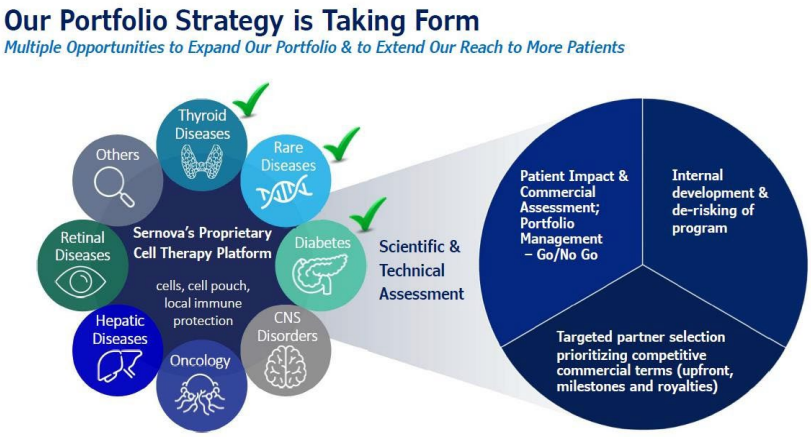
The Cell Pouch System™ is a technology platform being developed for the treatment of and a potential 'functional cure' for chronic debilitating diseases including type 1 diabetes (insulin-dependent diabetes or T1D), hypothyroid disease, and rare diseases such as hemophilia A among others. The Cell Pouch™ is a scalable, implantable, medical device, designed to function as a delivery vehicle for therapeutic cells and tissues. Once implanted, it creates a highly vascularized organ-like environment for the transplantation and engraftment of therapeutic cells or tissues, which then release proteins, hormones or other factors into the bloodstream for the long-term treatment of various chronic diseases.

Depending on the clinical indication under evaluation, the therapeutic cells may be autograft cells or tissues (self-cells / tissues) or allograft cells (non-self, donor cells) or cells derived from sources known to provide a virtually unlimited supply of cells such as stem cell-derived cells or from a xenogeneic (non-human) source. Furthermore, the therapeutic cells may be unmodified or may be genetically modified to produce their therapeutic effect. The Company continues to work with academic collaborators and industry partners to identify and secure favorable cell candidates for our therapeutic indications.

The Company's preclinical and clinical research studies to date support the safety and biocompatibility of Cell Pouch™ and long-term survival and function of therapeutic cells transplanted into the vascularized Cell Pouch™ chambers. The Company's data demonstrates that following implantation of the Cell Pouch™, vascularized tissue incorporates through pores in the device forming fully enclosed vascularized tissue chambers. Upon transplantation of therapeutic cells into these vascularized chambers a natural tissue matrix develops providing microvascularization of the transplanted cells, enabling them to engraft (survive and function). Thus, an anticipated benefit of the Cell Pouch™ is the formation of a natural environment for the therapeutic cells that provides for enhanced long-term graft survival and function. The Company believes this is due in part to the therapeutic cells living in a natural vascularized tissue matrix allowing close contact with the transplanted cells.

During the past three years, the Company's research activities have focused on the development of the Cell Pouch System™ as a potential new treatment for various therapeutic indications including T1D, hemophilia, hypothyroid disease and additional chronic debilitating and rare diseases. The Company has also entered into strategic collaborations and acquired, in-licensed or obtained an exclusive option to in-license related technologies to expand and support our research efforts.

The Company's unique approach in providing a natural environment for therapeutic cells and its ease of use may provide an opportunity for the Company's technologies including the Cell Pouch System™ to become the standard of care in therapeutic cell transplantation for multiple diseases if they continue to demonstrate safety, tolerability, and clinical benefit in preclinical and clinical trials.



CONSOLIDATED CAPITALIZATION

Other than the issuance of 280,000 Common Shares pursuant to the exercise of stock options of the Company between the period of February 6, 2024 to February 8, 2024, and conversion of deferred share units of the Company on May 9, 2024, there have been no material changes in the share and loan capitalization of the Company since January 31, 2024, the date of the Interim Financial Statements.

The following table sets forth the consolidated capitalization of the Company as at June 5, 2024 and as adjusted after giving effect to the Offering. This table should be read in conjunction with the Interim Financial Statements and the related notes and management's discussion and analysis of financial condition and results of operations in respect of those statements that are incorporated by reference in this Prospectus.

Description	**Before giving effect to the Offering**	**After giving effect to the Minimum Offering[(1)(2)]**	**After giving effect to the Maximum Offering and the Over-Allotment Option[(1)(3)]**
Common Shares	303,612,686	323,309,656	338,461,171
Warrants	0	19,696,970	34,848,485
Broker Warrants	0	1,181,818	2,090,909
Stock Options	23,459,005	23,459,005	23,459,005
Deferred Share Units	5,305,001	5,305,001	5,305,001

Notes:

(1) Assuming no President's List purchasers.
(2) Assuming the Minimum Offering and no exercise of the Over-Allotment Option.

(3) Assuming the Maximum Offering and exercise of the Over-Allotment Option in full pursuant to the Maximum Offering.

USE OF PROCEEDS

Proceeds

The Offering will not be completed and subscription funds will not be advanced to the Company unless the Minimum Offering is completed. In the event the Minimum Offering is completed, the net proceeds to be received by the Company from the Offering will be approximately $5,710,000 after deducting the Agents' Fee of $390,000 (assuming no President's List purchasers) and estimated Offering expenses of $400,000. In the event the Maximum Offering is completed, the net proceeds to be received by the Company from the Offering will be approximately $9,000,000, after deducting the Agents' Fee of $600,000 (assuming no President's List purchasers) and estimated Offering expenses of $400,000. If the Over-Allotment Option is exercised in full under a Maximum Offering, the net proceeds to be received by the Company from the Offering will be approximately $10,410,000, after deducting the Agents' Fee of $690,000 (assuming no President's List purchasers) and the estimated offering expenses of $400,000. Any additional proceeds received from the exercise of the Over-Allotment Option will be used for working capital and general corporate purposes, as will any proceeds received from the exercise of the Warrants and Broker Warrants.

Principal Purposes

The Company currently anticipates using the net proceeds of the Offering (assuming no exercise of the Over-Allotment Option) for each of the principal purposes set forth in the following table:

	Approximate Amounts	
Principal Purpose	**Minimum Offering $6,500,000**	**Maximum Offering $10,000,000**
Commencement of enrollment and treatment of 1 new patient for phase I/II Human Donor Islet clinical study (as further described below)	$4,000,000	$4,000,000
Supporting R&D activities (patent development and prosecution, conferences, lab supplies, cell pouch manufacturing)	$950,000	$1,300,000
Headcount[(1)]	$0	$600,000
General corporate purposes and working capital[(1) (2)]	$760,000	$3,100,000
Total net proceeds	**$5,710,000**	**$9,000,000**

Notes:

(1) Cash and marketable securities on hand will be sufficient to fund headcount expenses and a portion of G&A activities for the next 12 months.

(2) Funds will be allocated as follows: (a) for general corporate purposes over the next 12 months, including (i) legal, audit, and finance staff expenses; and (ii) other, including workspace, travel expenses, investor relations, compliance with regulatory obligations, consulting, non-management personnel costs and other general administrative expenses and (b) the remainder for unallocated working capital.

With respect to research and development, the Company plans to allocate proceeds of the Offering to advance its research and development portfolio of regenerative medicines-based therapies, delivered in Sernova's proprietary drug

delivery vehicle, currently referred to as the Cell Pouch™, as follows: (i) $4,950,000 of the proceeds if the Minimum Offering is completed; and (ii) $5,300,000 if the Maximum Offering is completed. The Company's objective is to further the develop the Cell Pouch™ for the treatment of patients with type 1 diabetes (T1D) by advancing its ongoing phase I/II study using human donor islet cells. The Company intends to enroll and complete treatment for one additional trial patient into a second cohort for confirmation of the determined optimal islet equivalent (IEQ) dose and immune suppression regimen for achievement of insulin independence by patients with T1D, treated with Sernova's 10-channel Cell Pouch™. The major components of confirming and presenting the optimal IEQ dose and immunosuppressive regimen in the ongoing phase I/II clinical trial in T1D, to which the available funds will be applied, include recruitment, enrollment, Cell Pouch™ implants, islet transplants, medications, and data management for the next trial patient. Cost commitments for these components plus ongoing costs for patients already enrolled in cohorts 1 and 2 are projected to be approximately $4,500,000 and treatment completed by the second quarter of 2025.

The issuer uses a combination of in-house and contracted research and development experts and facilities. Sernova employs PhD and MD/PhD scientists with extensive cell therapy experience and expertise to lead and oversee preclinical development planning and execution. Animal studies are conducted by contract laboratories under direct supervision of Sernova scientists. Clinical development is undertaken by expert clinicians in academic medical facilities. Clinical data collection, verification and management is performed by reputable contract research organizations vetted, selected and closely supervised by the Company.

The Company does not anticipate reaching commercial production within the next twelve months.

Although the Company intends to expend the net proceeds from the Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent or necessary, and may vary materially from that set forth above. The actual amount that the Company spends in connection with each of the intended uses of proceeds will depend on a number of factors, including those referred to under the heading "*Risk Factors*" in this Prospectus.

Until applied, the net proceeds of the Offering will be held as cash balances in the Company's bank account or invested in certificates of deposit and other instruments issued by banks or financial institutions or obligations of or guaranteed by the Government of Canada or any province thereof or the Government of the United States or any state thereof.

Financial Condition

Pursuant to the Interim Financial Statements, the Company's cash and marketable securities on hand and net working capital as at January 31, 2024 was $15,549,561 and $2,886,403, respectively. As of May 31, 2024, the Company's cash and marketable securities on hand was approximately $7.7 million and the Company had a net working capital deficit of approximately $8.3 million, however, approximately $6.7 million of this working capital deficit is an account payable which will become due over a period of time beginning January 2025, which is following the release of interim data from cohort 2 patients in the ongoing phase 1/2 clinical trial in Q4, 2024. The decrease in the Company's working capital from the three months ended January 31, 2024 to May 31, 2024, is consistent with the Company's previous quarters and can be attributed to the Company's historical operating losses as disclosed in the Company's annual and interim financial statements.

The Company is currently incurring expenditures related to the Company's operations, including its research and development programs, which have generated negative operating cash flows during the year ended October 31, 2023 and the period ended January 31, 2024. The Company is currently not generating revenue from product sales and does not anticipate generating such revenue in the near future. As a result, the Company expects to continue to incur negative operating cashflows in the medium term as it continues to develop its products and may need to raise

additional capital or seek additional sources of funding in the future to fund such negative operating cashflows. See "*Risk Factors – Negative cash flow from operating activities*" in this Prospectus.

Business Objectives and Milestones

The following is a summary of the Company's business objectives it expects to accomplish using the net proceeds and the milestones associated with attaining those objectives.

Business Objective	Milestones	Expected Timing (Calendar Year)	Estimated Cost	
			Minimum Offering	Maximum Offering
Progress ongoing phase I/II clinical study for T1D using Human Donor Islets. Confirm optimal islet dose and immune suppression regimen to achieve insulin independence with Cell Pouch™ in complicated T1D patients	Continued support of patients enrolled in cohorts 1 and 2 of current phase I/II clinical study. Enroll 1 new confirmatory patients into cohort 2 of ongoing phase I/II clinical trial	2Q2024 – 1Q2025	$4,950,000	$5,300,000

While the Company believes that it has the skills and resources necessary to accomplish these business objectives, there is no certainty that the Company will be able to do so within the timelines indicated above, or at all.

PLAN OF DISTRIBUTION

The Company has engaged the Agents pursuant to the Agency Agreement to offer for sale to the public on a "best efforts" agency basis without underwriter liability, 19,696,970 Units in the case of the Minimum Offering and up to 30,303,030 Units in the case of the Maximum Offering at the Offering Price, for aggregate gross proceeds of $6,500,000 in the case of the Minimum Offering and up to $10,000,000 in the case of the Maximum Offering, payable in cash to the Company against delivery of the Units and subject to the terms and conditions of the Agency Agreement. The Offering Price and certain other terms of the Offering have been determined by arm's length negotiation between the Company and the Lead Agent with reference to the prevailing market price of the Common Shares. The obligations of the Agents under the Agency Agreement are subject to certain closing conditions and may be terminated at their discretion on the basis of "material change out", "disaster out", "regulatory out", "market out", "due diligence out" and "breach out" provisions in the Agency Agreement and may also be terminated upon the occurrence of certain other stated events. The Agents are not obligated to purchase any Units under the Agency Agreement.

Each Unit will consist of one Unit Share and one Warrant. The Warrants will be created and issued pursuant to the terms of the Warrant Indenture. Each Warrant will be exercisable at $0.40 per Warrant Share, subject to adjustment in certain circumstances, at any time prior to 5:00 p.m. on the Expiry Date. The Warrant Indenture will contain provisions designed to protect the holders of Warrants against dilution upon the occurrence of certain events. No

fractional Common Shares will be issued upon the exercise of any Warrants. See "Description of Securities Being Distributed".

The Company has granted the Agents the Over-Allotment Option, exercisable in whole or in part, at any time and from time to time, in the sole discretion of the Agents, for a period of 30 days after and including the Closing Date, to sell up to an additional amount of Units equal to 15% of the Units sold pursuant to the Offering, being 4,545,455 Over-Allotment Units, at the Offering Price, to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option shall be exercisable for any number of Over-Allotment Units, Over-Allotment Shares, Over-Allotment Warrants, or any combination thereof at a price equal to the Offering Price for a Unit and a price to be agreed upon for the Over-Allotment Shares and Over-Allotment Warrants.

The grant of the Over-Allotment Option and any Units any Broker Warrants issued upon exercise of the Over-Allotment Option are qualified for distribution under this Prospectus. A purchaser who acquires securities forming part of the Agents' over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. Assuming the Maximum Offering, and if the Over-Allotment Option is exercised in full, assuming no President's List purchasers, the total price to the public, the Agents' Fee and the net proceeds to the Company (before payment of the expenses of the Offering) will be approximately $11,500,000, $690,000 and $10,810,000, respectively.

In consideration for the services rendered by the Agents in connection with the Offering, the Agents will receive the Agents' Fee equal to 6% of the gross proceeds of the Offering (including in respect of any exercise of the Over-Allotment Option, if any). The Agents' Fee shall be payable in cash. In addition to the Agents' Fee, the Agents will receive that number of Broker Warrants that is equal to 6% of the aggregate number of Units issued under the Offering (including any Over-Allotment Units issued upon exercise of the Over-Allotment Option, if any). The Company shall provide a President's List that may subscribe in the Offering. Provided the Agents deliver subscribers for the Minimum Offering, the President's List shall include subscriptions for up to a maximum of 3,030,303 Units for gross proceeds of up to $1,000,000. The Agents' Fee will be reduced to 3% in respect of sales to purchasers on the President's List and the number of Broker Warrants issuable in respect of sales of Units to purchasers on the President's List will be reduced to 3%.

This Prospectus qualifies the issuance of the Units (including in respect of any Units issuable in respect of any exercise of the Over-Allotment Option). This Prospectus also qualifies the issuance of the Broker Warrants.

Pursuant to the Agency Agreement, the Agents may offer the Units to the public pursuant to the securities legislation of each of the provinces of Canada, other than Quebec. The Agents may also offer the Units for sale to, or for the account or benefit of, persons in the United States and U.S. persons by or through one or more U.S. Placement Agents, under certain exemptions from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Certain insiders of the Company may purchase Units under the Offering.

The Offering is not underwritten or guaranteed by any person. Subscription for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Subscription proceeds will be received by the Agents, or by any other securities dealer authorized by the Agents, and will be held by the Agents in trust until subscriptions for the Minimum Offering are received and other closing conditions of the Offering have been satisfied. It is expected that the closing of the Offering will occur on or about June 20, 2024, or on such later date as the Company and the Lead Agent may agree upon, but in any event not later than the date that is 90 days after the date on which the Company receives a final receipt for this Prospectus. The distribution of the Units will not continue for a period of more than 90 days after the date on which the Company receives a final receipt for this Prospectus, unless an amendment to this Prospectus is filed and a receipt obtained

therefor by the Company in accordance with applicable securities laws; provided that the total period of distribution under the Offering will in any event not exceed 180 days from the date of the final receipt for this Prospectus.

Subject to certain limited exceptions, it is anticipated that the Units Shares and Warrants will be deposited electronically with CDS or its nominees on the Closing Date. Transfers of ownership of the Units Shares or Warrant Shares deposited with CDS will be effected through records maintained by CDS Participants, which include securities brokers and dealers, banks and trust companies. Indirect access to the CDS book-based system is also available to other institutions that maintain custodial relationships with a CDS Participant, either directly or indirectly. Subject to certain limited exceptions, purchasers of Units will receive only a customer confirmation of Unit Shares and Warrants from the CDS Participant from or through which such Units are purchased in accordance with the practices and procedures of such CDS Participant. No certificates representing the Units, Unit Shares, Warrants or Warrant Shares will be issued unless it is specifically requested or required. Notwithstanding the foregoing, Unit Shares and Warrants issued to, or for the account or benefit of, persons in the United States or U.S. Persons that are Accredited Investors (that are not Qualified Institutional Buyers (as defined below)) shall be issued in the form of definitive certificates or DRS statements representing such securities.

Pursuant to the terms of the Agency Agreement, the Company shall reimburse the Agents for certain expenses incurred in connection with the Offering and to indemnify the Agents and their directors, officers, employees, and agents against certain liabilities and expenses and to contribute to payments the Agents may be required to make in respect thereof.

The Company has agreed that as a condition of closing of the Offering that senior management and each director of the Company to enter into a lock-up agreement with the Lead Agent, pursuant to which each such member of senior management or director shall not sell, or enter into any agreement to sell (or announce any of the foregoing) any securities of the Company held by each of them (or their respective affiliates), in each case, for a period of 90 days after the Closing Date, without the prior written consent of the Lead Agent, such consent not to be unreasonably withheld, conditioned or delayed (the "**Lock-up**"). The Company will undertake commercially reasonable efforts to cause the Principal Securityholders (as defined herein, and together with the senior management and board of directors of the Company, the "**Locked-Up Shareholders**") to be subject to the Lock-up. Notwithstanding the foregoing, nothing shall prevent any of the Locked-Up Shareholders from transferring securities of the Company (i) to an affiliate, (ii) in connection with an internal reorganization, (iii) for tax planning purposes or in connection with charitable activities, (iv) pursuant to a pledge as security for indebtedness owing to a bona fide lender and/or any sale of the securities upon such lender realizing on such security, or (v) in the event of a takeover bid or similar transaction involving a change of control of the Company. "**Principal Securityholders**" refers to all securityholders of the Company that own, at the date hereof or the Closing Date, securities representing 10% or more of the outstanding equity of the Company, after giving effect to the exercise of convertible securities owned or controlled by them that are exercisable within 60 days.

The Company has agreed in favour of the Agents, not to, directly or indirectly, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or agree to or announce any intention to, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, any additional Common Shares or any securities convertible or exchangeable into Common Shares, other than pursuant to (i) the Offering, including any exercise of the Over-Allotment Option; (ii) the grant or exercise of stock options and other similar issuances pursuant to any stock option plan or similar share compensation arrangements in place prior to the date hereof; (iii) the grant of restricted share units or deferred share units; (iv) the issuance of Common Shares upon the exercise of convertible securities, warrants, options, or any other commitment or agreement outstanding prior to the date hereof; or (v) in connection with any strategic transactions or investments between the Company and a third party, in each case for a period of 90 days from the Closing Date, without the prior written consent of the Lead Agent (on behalf of the Agents), such consent not to be unreasonably withheld, conditioned or delayed.

Other than in each of the provinces of Canada, other than Québec, no action has been taken by the Company or the Agents that would permit a public offering of the Units offered by this Prospectus in any jurisdiction where action for that purpose is required. The Units offered by this Prospectus may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offering material or advertisements in connection with the offer and sale of any Units be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this Prospectus comes are advised to inform themselves about and to observe any restrictions relating to the Offering and the distribution of this Prospectus. The U.S. Placement Agents that may be appointed by the Agents will not be registered as dealers in any Canadian jurisdiction and, accordingly, they will not, directly or indirectly, solicit offers to purchase or sell the Units in Canada.

Pursuant to rules and policy statements of certain Canadian securities regulators, the Agents may not, at any time during the period ending on the date the selling period for the Units ends, bid for or purchase Common Shares. The foregoing restrictions are subject to certain exceptions including: (i) a bid for or purchase of Common Shares permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Canadian Investment Regulatory Organization relating to market stabilization and passive market making activities; (ii) a bid or purchase made for or on behalf of a client, other than certain prescribed clients, provided that the client's order was not solicited by the Agents during the period of distribution, provided that the bid or purchase was for the purpose of maintaining a fair and orderly market and not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities; and (iii) a bid or purchase to cover a short position entered into prior to the commencement of the prescribed restricted period. Consistent with these requirements, and in connection with the Offering, the Agents may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. If these activities are commenced, they may be discontinued by the Agents at any time. The Agents may carry out these transactions on the TSX, in the over-the-counter market or otherwise.

The Company has applied to list the Unit Shares, the Warrant Shares, and the Broker Warrant Shares to be distributed under this Prospectus on the TSX. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Units offered by this Prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

United States Sales

The Units, the Unit Shares and the Warrants, and the Warrant Shares issuable upon exercise of the Warrants, have not been and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and, accordingly, may not be offered, sold or delivered, directly or indirectly, to, or for the account or benefit of, persons in the United States or U.S. persons except in accordance with the Agency Agreement and pursuant to exemptions from registration under the U.S. Securities Act and applicable U.S. state securities laws. The Agents have agreed that they will not offer or sell the Units to, or for the account or benefit of, persons in the United States or U.S. persons, except that offers of Units may be made to, or for the account or benefit of, persons in the United States or U.S. Persons by or through one or more U.S. Placement Agents. The Agency Agreement will provide that the Units may be offered to, or for the account or benefit of, persons in the United States or U.S. persons that are (i) "accredited investors," as defined in Rule 501(a) of Regulation D under the U.S. Securities Act ("**Accredited Investors**"), and/or (ii) "qualified institutional buyers," as defined in Rule 144A under the U.S. Securities Act, that are also Accredited Investors ("**Qualified Institutional Buyers**"), in each case for sale directly by the Company pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D under the U.S. Securities Act and similar exemptions under applicable U.S. state securities laws. The Agency Agreement will also

provide that the Agents will offer and sell the Units outside the United States to non-U.S. Persons in accordance with Rule 903 of Regulation S promulgated under the U.S. Securities Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units, the Unit Shares or the Warrants within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act, unless such offer or sale is made pursuant to an exemption from registration under the U.S. Securities Act.

The Warrants will not be exercisable by, or for the account or benefit of, a person in the United States or a U.S. Person, nor will certificates representing the Warrant Shares issuable upon exercise of the Warrants be registered or delivered to an address in the United States, unless an exemption from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws is available and the Company has received an opinion of counsel of recognized standing or such other evidence in form and substance reasonably satisfactory to the Company to such effect; provided, however, that a holder who is an Accredited Investor or a Qualified Institutional Buyer at the time of exercise of the Warrants who purchased Units in the Offering to, or for the account or benefit of, persons in the United States or U.S. Persons as an Accredited Investor or a Qualified Institutional Buyer, as applicable, will not be required to deliver an opinion of counsel in connection with the exercise of Warrants that are a part of those Units.

The Unit Shares, the Warrants and the Warrant Shares issuable upon exercise of the Warrants issued to, or for the account or benefit of, persons in the United States or U.S. persons will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act. Securities that are offered, sold or issued to, or for the account or benefit of, persons in the United States or U.S. persons that are Accredited Investors (but not Qualified Institutional Buyers) will be subject to a legend to the effect that such securities are not registered under the U.S. Securities Act or any applicable U.S. state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws.

PARTICIPATION RIGHTS

The Company entered into an investor rights agreement with Evotec SE ("**Evotec**") dated May 16, 2022, pursuant to which, among other things, its has granted Evotec a contractual right to participate in certain issuance by the Company of its equity securities, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into, or exercisable for, such equity securities ("**New Securities**"), entitling Evotec to purchase their *pro rata* share of the New Securities being offered (the "**Participation Right**").

Pursuant to such Participation Right, the Company has undertaken to provide written notice of its intent to offer such New Securities (an "**Offering Notice**"). Within five business days after the date of receipt of an Offering Notice, or in the case of a public offering that is a "bought deal", within two business days of receipt of an Offering Notice, the investor may elect, to subscribe for and purchase such number of securities that will allow Evotec to maintain an aggregate percentage ownership interest in the Company equal to the aggregate percentage ownership interest in the Company that Evotec held prior to any such new issuance of securities of the Company, at a price per New Security equal to the issue price per security subject of the Offering Notice.

The Offering triggers the Participation Right of Evotec, entitling it to purchase that number of Units necessary to maintain its percentage equity ownership interests in the Company at the Offering Price. The Company has provided its Offering Notice to Evotec.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Offering

The Offering consists of Units which are being offered at the Offering Price. This Prospectus qualifies the issuance of the Units (including any Units issuable in respect of any exercise of the Over-Allotment Option), and the Broker Warrants.

Units

Each Unit is comprised of one Unit Share and one Warrant, subject to adjustment in certain circumstances in accordance with the Warrant Indenture.

Common Shares

The Unit Shares and Broker Warrant Shares are designated as Common Shares under the Company's articles of incorporation ("**Articles**").

The authorized capital of the Company consists of an unlimited number of Common Shares. As at June 5, 2024, there were 303,612,686 Common Shares issued and outstanding.

Each Common Share carries one vote at all shareholder meetings of the Company whether ordinary or special, and the right to receive any dividend, if declared by the Company's board of directors. The Common Shares carry the right to receive a proportionate share of the Company's assets available for distribution to the holders of the Common Shares upon liquidation, dissolution or winding up of the Company. The Common Shares do not have any special liquidation, pre-emptive or conversion rights.

Provisions as to the modification, amendment or variation of the rights attached to the Common Shares are contained in the Company's bylaws and in the CBCA. Generally speaking, substantive changes to the authorized share structure require the approval of the Company's shareholders by special resolution (at least two-thirds of the votes cast).

Warrants

The following is a summary of the material attributes and characteristics of the Warrants. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the Warrant Indenture, which will be filed with the applicable Canadian securities regulatory authorities and will be available on SEDAR+ at www.sedarplus.com.

The Warrants will be created and issued pursuant to the terms of the Warrant Indenture. Each Warrant will be exercisable at $0.40 per Warrant Share, subject to adjustment in certain circumstances, at any time prior to 5:00 p.m. on the Expiry Date. The Warrant Indenture will contain provisions designed to protect the holders of Warrants against dilution upon the occurrence of certain events. No fractional Common Shares will be issued upon the exercise of any Warrants. See "*Description of Securities Being Distributed*".

The Warrants will be issued under and governed by the terms of the Warrant Indenture to be entered into on the Closing Date between the Company and the Warrant Agent. The Company will appoint the transfer office of the Warrant Agent in Toronto, Ontario as the location at which the Warrants may be surrendered for exercise, transfer or exchange.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the Exercise Price per Warrant Share upon the occurrence of certain events, including:

(a) if the Company subdivides, re-divides or changes its outstanding Common Shares into a greater number of shares;

(b) if the Company consolidates, reduces or combines its outstanding Common Shares into a smaller number of shares;

(c) if the Company issues Common Shares or securities exchangeable for or convertible to Common Shares ("**Convertible Securities**") to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend or other distribution (other than the issue of Common Shares or Convertible Securities to such holders upon the exercise of Warrants or any outstanding options);

(d) the Company fixing a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Common Shares for a period of not more than 45 days to subscribe for or purchase Common Shares or securities convertible or exchangeable into Common Shares at a price per Common Share of less than 95% of the current market price of the Common Shares on such record date (a "**Rights Offering**"); and

(e) the Company fixing a record date for the distribution to all or substantially all of the holders of its outstanding Common Shares of: (i) securities of any class of securities, whether of the Company or any other entity, other than Common Shares or Convertible Securities; (ii) rights, options or warrants to subscribe for or purchase Common Shares (or other securities convertible into or exchangeable for Common Shares), other than pursuant to a Rights Offering; (iii) evidence of its indebtedness; or (iv) any other property or assets.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or Exercise Price per security in the event of a reclassification of the Common Shares or a change in the Common Shares into other shares or securities, or a capital reorganization of the Company or a consolidation, amalgamation, arrangement or merger of the Company with or into any other body corporate, trust, partnership or other entity, or a transfer, sale or conveyance of the property and assets of the Company as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity

No adjustment in the Exercise Price or the number of Warrant Shares issuable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the Exercise Price.

The Company will covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to the Warrant Agent and to the holders of the Warrants of certain stated events, including events that would result in an adjustment to the Exercise Price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least seven days prior to the record date of such event, if any.

No fractional Warrant Shares will be issuable upon the exercise of any Warrants and no cash or other consideration will be paid in lieu of fractional Warrant Shares. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Common Shares would have.

The Warrant Indenture will provide that, from time to time, the Company may amend or supplement the Warrant Indenture for certain purposes, without the consent of the holders of the Warrants, including for curing defects or inconsistencies or making any change that does not prejudice the rights of any holder of Warrants. Certain amendments

or supplements to the Warrant Indenture may only be made by "extraordinary resolution", which will be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Warrants at which there are at least two holders of Warrants present in person or represented by proxy representing of at least 25% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of the holders of Warrants representing not less than 66 and 2/3% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66 and 2/3% of the aggregate number of the then outstanding Warrants.

The Warrants may not be exercised by, or for the account or benefit of, a person in the United States or a U.S. Person, unless an exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws is available for the issuance of the Warrant Shares to such holder, and such holder has furnished an opinion of counsel of recognized standing or such other evidence in form and substance reasonably satisfactory to the Company to such effect; provided, however, that a holder who is an "accredited investor" (as defined in Rule 501(a) of Regulation D under the U.S. Securities Act) at the time of exercise of the Warrants and who purchased Units in transactions exempt from registration under the U.S. Securities Act and applicable state securities laws as a Qualified Institutional Buyer will not be required to deliver an opinion of counsel or such other evidence in connection with the exercise of Warrants that are a part of those Units.

The Company has not applied and does not intend to apply to list the Warrants on any securities exchange. There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants acquired hereunder. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. See "Risk Factors".

Agents' Fee and Broker Warrants

The Agents' Fee shall be payable in cash.

The Company will grant to the Agents the number Broker Warrants equal to 6% of the aggregate number of Units issued under the Offering. The number of Broker Warrants issuable for sales to purchasers on the President's List shall be reduced to 3% of the number of Units sold to such purchasers. Each Broker Warrant will entitle the holder thereof to purchase one Broker Warrant Share, subject to adjustment on the same terms as the Warrants, at the Offering Price at any time prior to 5:00 p.m. for a period of 36 months following the Closing Date. The Broker Warrants may be exercised by the Agents to purchase Broker Warrant Shares on or before the expiration date by delivering (i) notice of exercise, appropriately completed and duly signed, and (ii) payment of the Exercise Price for the number of Broker Warrant Shares with respect to the Broker Warrants being exercised. The Broker Warrants may be exercised in whole or in part, but only for full Broker Warrant Shares. This Prospectus qualifies the distribution of the Broker Warrants.

The Broker Warrant Shares will be, when issued and paid for in accordance with the Broker Warrants, duly authorized, validly issued and fully paid and non-assessable. The Company will authorize and reserve at least that number of Common Shares as is equal to the number of Broker Warrant Shares issuable upon the exercise of the Broker Warrants. The Broker Warrant Shares will be issued as Common Shares, the material attributes of which are described above.

The Exercise Price and the number of Broker Warrant Shares issuable upon the exercise of the Broker Warrants are subject to adjustment upon the occurrence of certain events, such as a distribution on the Common Shares or a subdivision, consolidation or reclassification of the Common Shares. In addition, upon any fundamental transaction, such as a merger, arrangement, consolidation, sale of all or substantially all of the Company's assets, share exchange or business combination, the Broker Warrants, will thereafter evidence the right of the holder to receive the securities,

property or cash deliverable in exchange for or on the conversion of or in respect of the Common Shares to which the holder of a Common Share would have been entitled immediately on such event.

The Company is not required to issue fractional securities upon the exercise of the Broker Warrants. Instead, the Company may round down to the next whole security.

The Broker Warrants are non-transferable and will not be listed or quoted on any securities exchange. The holders of the Broker Warrants do not have the rights or privileges of holders of Common Shares, nor any voting rights, until they exercise their Broker Warrants and receive the Broker Warrant Shares.

PRIOR SALES

During the 12-month period prior to the date of this Prospectus, the Company issued the following securities:

Date of issuance	Description of Security	Number of Securities	Issue/Exercise Price Per Security
May 30, 2023	Stock Options	153,000	$0.87
June 1, 2023	Stock Options	20,000	$0.85
June 5, 2023	Stock Options	20,000	$0.83
June 12, 2023	Stock Options	30,000	$0.88
July 24, 2023	Stock Options	1,000,000	$0.96
July 28, 2023	Stock Options	630,000	$1.20
September 5, 2023	Stock Options	3,000,000	$0.79
October 19, 2023	Stock Options	40,000	$0.74
November 14, 2023	Stock Options	200,000	$0.80
February 6, 2024	Common Shares	25,000[(1)]	$0.21
February 7, 2024	Common Shares	25,000[(1)]	$0.21
February 8, 2024	Common Shares	25,000[(1)]	$0.21
February 13, 2024	Stock Options	200,000	$0.65
May 9, 2024	Common Shares	205,000[(2)]	$0.35

Notes:

(1) Issued pursuant to the exercise of Stock Options

(2) Issued pursuant to the conversion of deferred share units upon redemption.

TRADING PRICE AND VOLUME

The outstanding Common Shares are traded on the TSX under the trading symbol “SVA”. The Common Shares are also listed under the symbol “SEOVF” on the OTCQB Venture Market, under the symbol “PSH” on the Frankfurt Stock Exchange on Xetra, the electronic trading system of Deutsche Börse AG in Germany. The following table sets

forth the price range and trading volumes for the Common Shares on the TSX as reported by the TSX for the periods indicated:

Toronto Stock Exchange			
Month	**Price Range[(1)]**		
	Low ($)	**High ($)**	**Volume[(2)]**
2024			
June 1 - 5	0.35	0.40	231,830
May	0.29	0.43	3,194,924
April	0.375	0.60	4,041,356
March	0.53	0.63	2,074,290
February	0.55	0.70	2,352,678
January	0.51	0.73	4,033,042
2023			
December	0.61	0.77	2,938,215
November	0.68	0.82	1,841,341
October	0.68	0.82	1,778,405
September	0.74	0.91	1,147,115
August	0.71	0.92	1,341,183
July	0.90	1.04	2,274,001
June	0.80	1.10	2,028,377

Notes:
(1) Includes intra-day lows and highs.
(2) Total volume traded in the applicable time period.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as at the date of this Prospectus, a summary of certain principal Canadian federal income tax considerations under the Tax Act generally applicable to an investor who acquires Units (as beneficial owner) pursuant to the Offering or to a beneficial owner of Warrants who acquires Warrant Shares pursuant to the exercise of Warrants. This summary applies only to persons who, for the purposes of the Tax Act and at all relevant times, (i) deals at arm's length with the Company, the Agents and the subsequent purchaser of a Unit Share, Warrant or Warrant Share (each, a "**Security**" and collectively, "**Securities**"), (ii) is not affiliated with the Company or the Agents or a subsequent purchaser of a Security, and (iii) acquires and holds the Securities as capital property (the Unit Shares and Warrant Shares hereinafter sometimes collectively referred to as "**Company Shares**"). A holder who meets all of the foregoing requirements is referred to as a "**Holder**" in this summary, and this summary only addresses such Holders. Generally, the Securities will be considered as capital property of a Holder thereof provided that the Holder does not hold or use the Securities in the course of carrying on a business of trading or dealing in securities and such Holder has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder (i) that is a "financial institution" for the purposes of the mark-to-market rules contained in the Tax Act; (ii) that is a "specified financial institution" as defined in the Tax Act; (iii), an interest in which would be a "tax shelter investment" as defined in the Tax Act; (iv) that reports its "Canadian tax results" in a currency other than Canadian currency; (v) that is exempt from tax under Part I of the Tax Act; (vi) that is a partnership; (vii) that receives dividends on the Company Shares under or as part of a "dividend rental arrangement" as defined in the Tax Act; or (viii) that has entered into or will enter into a "derivative forward agreement" or a "synthetic disposition arrangement", as such terms are defined in the Tax Act, with respect to a Security. In addition,

this summary does not address the deductibility of interest by a Holder who has borrowed money or otherwise incurred debt in connection with the acquisition of Units. **Such Holders should consult their own tax advisors with respect to an investment in the Securities**.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada, and is or becomes (or does not deal at arm's length, for purposes of the Tax Act, with a corporation resident in Canada that is or becomes), as part of a transaction or event or series of transactions or events that includes the acquisition of the Units or Warrant Shares, controlled by a non-resident person, or group of non-resident persons not dealing with each other at arm's length, for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of acquiring Units.

This summary is based on the current provisions of the Tax Act in force as of the date hereof and our understanding of the current published administrative and assessing practice of the Canada Revenue Agency. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and assumes that the Tax Proposals will be enacted in the form proposed, although no assurance can be given that the Tax Proposals will be enacted in their current form or at all. This summary does not otherwise take into account any changes in law or in the administrative policies or assessing practice of the Canada Revenue Agency, whether by legislative, governmental or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign tax considerations, which considerations may differ significantly from the Canadian federal income tax considerations discussed in this summary.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. All investors, including Holders, should consult their own tax advisors with respect to their particular circumstances.

Allocation of Cost

The total purchase price of a Unit must be allocated on a reasonable basis between the Unit Share and the Warrant comprising a Unit to determine the cost of each to the Holder for purposes of the Tax Act.

For its purposes, the Company intends to allocate $0.274 of the Offering Price of each Unit as consideration for the issue of each Unit Share and $0.056 of the Offering Price of each Unit as consideration for the issue of each one Warrant. Although the Company believes its allocation is reasonable, it is not binding on the Canada Revenue Agency or the Holder, and no valuation or related opinion has been sought or obtained in this regard. The Holder's adjusted cost base of the Unit Share comprising a part of each Unit will be determined by averaging the cost allocated to the Unit Share with the adjusted cost base to the Holder of all Common Shares (if any) owned by the Holder as capital property immediately prior to such acquisition.

Exercise of Warrants

The exercise of a Warrant to acquire a Warrant Share will be deemed not to constitute a disposition of property for purposes of the Tax Act. As a result, no gain or loss will be realized by a Holder upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the aggregate of the Holder's adjusted cost base of such Warrant and the Exercise Price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging the cost of the Warrant Share with the adjusted cost base to the Holder of all Common Shares (if any) owned by the Holder as capital property immediately prior to such acquisition.

Holders Resident in Canada

The following section of this summary applies to Holders who, for the purposes of the Tax Act and any applicable income tax treaty or convention, are or are deemed to be resident in Canada at all relevant times ("**Resident Holders**") and this portion of the summary only addresses such Resident Holders. Certain Resident Holders whose Company Shares might not otherwise constitute capital property may make, in certain circumstances, an irrevocable election permitted by subsection 39(4) of the Tax Act to deem the Company Shares, and every other "Canadian security" (as defined in the Tax Act) held by such persons, in the taxation year of the election and each subsequent taxation year, to be capital property. This election does not apply to Warrants. Resident Holders should consult their own tax advisors with respect to whether the election is available and advisable in their particular circumstances.

Expiry of Warrants

In the event of the expiry of an unexercised Warrant, a Resident Holder generally will realize a capital loss equal to the Resident Holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

Dividends

Dividends received or deemed to be received by a Resident Holder on the Company Shares, if any, will be included in computing the Resident Holder's income for purposes of the Tax Act. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of "taxable dividends" received from "taxable Canadian corporations" (as defined in the Tax Act), including the enhanced gross-up and dividend tax credit in respect of "eligible dividends", if any, so designated by the Company to the Resident Holder in accordance with the provisions of the Tax Act. There may be restrictions on the Company's ability to designate any dividends as "eligible dividends", and the Company has made no commitments in this regard.

Dividends received or deemed to be received by a Resident Holder that is a corporation must be included in computing its income but may be deductible in computing its taxable income, subject to all restrictions and special rules under the Tax Act. A Resident Holder that is a "private corporation" (as defined in the Tax Act) or a "subject corporation" (as defined for the purposes of Part IV of the Tax Act), generally will be liable to pay a tax under Part IV of the Tax Act (refundable in certain circumstances) on dividends received or deemed to be received on the Company Shares to the extent such dividends are deductible in computing taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain, and Resident Holders that are corporations should consult their own tax advisors in this regard.

Dispositions of Company Shares and Warrants

Upon a disposition (or a deemed disposition) of a Company Share (other than a disposition to the Company in a transaction that is not a sale in the open market in the manner in which such shares would normally be purchased by any member of the public in an open market) or a Warrant (other than a disposition arising on the exercise or expiry of a Warrant), a Resident Holder generally will realize, in the year of disposition, a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of such Security, as applicable, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base of such Security, as applicable, to the Resident Holder. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized in the year by such Resident Holder. Allowable capital losses in excess of taxable capital gains realized in a year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against net taxable capital gains realized in such year, to the extent and under the circumstances described in the Tax Act.

Pursuant to Tax Proposals announced in the Federal Budget on April 16, 2024 (the "**Budget 2024 Tax Proposals**"), subject to certain transitional rules, the portion of a capital gain included in a taxable capital gain will be increased from one-half to two-thirds in respect of (i) dispositions realized by a Resident Holder that is an individual (excluding a trust) on or after June 25, 2024, for the portion of capital gains realized in the year (or, in the case of the 2024 taxation year, the portion of the year beginning on June 25, 2024) that exceed $250,000 (net of current-year capital losses, capital losses of other years applied to reduce current-year capital gains and capital gains subject to certain statutory exemptions and incentives), and (ii) dispositions realized by a Resident Holder that is a corporation or trust on or after June 25, 2024. Under the Budget 2024 Tax Proposals, two-thirds of capital losses (including capital losses realized prior to June 25, 2024) will be deductible against capital gains included in income at the two-thirds inclusion rate such that a capital loss will offset an equivalent capital gain regardless of the inclusion rate. The Budget 2024 Tax Proposals do not include comprehensive rules (including draft legislation) and state that additional details related to the change of the capital gains inclusion rate are forthcoming. Resident Holders are advised to consult their personal tax advisors with regard to the Budget 2024 Tax Proposals.

The amount of any capital loss realized on the disposition or deemed disposition of Company Shares by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such Company Shares. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Company Shares or where a partnership or trust, of which a corporation is a member or a beneficiary, is a member of a partnership or a beneficiary of a trust that owns Company Shares. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) also may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income" (as defined in the Tax Act) for the year, which will generally include taxable capital gains. Tax Proposals contained in Bill C-59 tabled in Parliament on November 30, 2023 would, if enacted, extend this additional tax and refund mechanism in respect of "aggregate investment income" to a Holder that is or is deemed to be a "substantive CCPC" (as defined in the Tax Proposals) at any time in the relevant taxation year. Holders are advised to consult their own tax advisors.

Alternative Minimum Tax

Capital gains realized (or deemed to be realized), and dividends received (or deemed to be received) by a Resident Holder that is an individual or a trust, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act. Such Resident Holders should consult their own advisors with respect to the application of the alternative minimum tax.

Holders Not Resident in Canada

The following section of this summary is generally applicable to Holders who, for the purposes of the Tax Act and any applicable income tax treaty or convention, and at all relevant times (i) are not, and will not be deemed to be, resident in Canada at any time while they hold the Securities, (ii) do not use or hold, and are not deemed to use or hold, the Securities in carrying on a business in Canada, and (iii) is not a "foreign affiliate", as defined in the Tax Act, of a taxpayer resident in Canada. Holders who meet all of the foregoing requirements are referred to herein as "**Non-Resident Holders**", and this portion of the summary only addresses such Non-Resident Holders.

Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere or that is an "authorized foreign bank" (as defined in the Tax Act). Such Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder by the Company are subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividend unless such rate is reduced by the terms of an applicable income tax treaty or convention. Under the Canada-United States Tax Convention (1980), as amended (the "**Treaty**"), for example, the rate of withholding tax on dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder that is the beneficial owner of the dividend who is resident in the U.S. for purposes of the Treaty and entitled to benefits under the Treaty (a "**U.S. Holder**") is generally limited to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a company beneficially owning at least 10% of the Company's voting shares). The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting, of which Canada is a signatory, affects many of Canada's bilateral tax treaties, including the ability to claim benefits thereunder. Affected Non-Resident Holders should consult their own tax advisors in this regard.

Dispositions of Company Shares and Warrants

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of Company Shares or Warrants, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Company Share or Warrant, as applicable, constitutes or is deemed to constitute "taxable Canadian property" to the Non-Resident Holder for purposes of the Tax Act at the time of disposition and the gain is not exempt from tax pursuant to the terms of an applicable income tax treaty or convention.

If and provided that the Company Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX) at the time of disposition, the Company Shares and Warrants generally will not constitute taxable Canadian property of a Non-Resident Holder at that time unless, at any time during the 60 month period ending at the time of the disposition, the following two conditions are simultaneously met: (i) one or any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm's length, or (c) partnerships in which the Non-Resident Holder or such non-arm's length person holds a membership interest (either directly or indirectly through one or more partnerships), owned 25% or more of the issued shares of any class or series of shares of the Company; and (ii) more than 50% of the fair market value of such shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource property" (as defined in the Tax Act), "timber resource property" (as defined in the Tax Act) or an option in respect of, an interest in or for civil law a right in or to such property, whether or not such property exists. Notwithstanding the foregoing, a Company Share or Warrant may also be deemed to be taxable Canadian property to a Non-Resident Holder under other provisions of the Tax Act.

A Non-Resident Holder's capital gain (or capital loss) in respect of Company Shares or Warrants that constitute or are deemed to constitute taxable Canadian property (and are not "treaty-protected property" as defined in the Tax Act)

will generally be computed and subject to tax in the manner described above under the subheadings "Holders Resident in Canada – Dispositions of Company Shares and Warrants" and "Holders Resident in Canada – Capital Gains and Capital Losses".

Non-Resident Holders who may hold Company Shares or Warrants as taxable Canadian property should consult their own tax advisors in this regard.

RISK FACTORS

An investment in the Units is speculative and involves a number of risks. Before deciding whether to invest in the Units, prospective purchasers should carefully consider, in light of their own circumstances, the risks described below, the other information contained in this Prospectus and in the other documents incorporated by reference. **Prospective purchasers should also carefully review the risks and uncertainties described under the heading "Risk Factors" in the AIF and the information contained in the section under the heading "*Forward-Looking Information*" in this Prospectus**. If any of the events described as risks or uncertainties in the AIF or if any of the following events described as risks or uncertainties actually occurs, the Company's business, prospects, financial condition and operating results would likely suffer, possibly materially. In that event, the market price of the Common Shares could decline and purchasers could lose part or all of their investment. Additional risks and uncertainties presently unknown to the Company, or that the Company believes not to be material at this time, may also impair or have a material adverse effect on the Company's operations.

Debt owed to Evotec.

The Company currently owes Evotec approximately $14.3 million in accounts payable pursuant to the to the Company's collaboration agreement with Evotec. Evotec has agreed the Company does not need to commence payment for at least approximately $6.7 million of the amounts due to Evotec until January 2025. Working capital and/or funds raised from future financings will be required to repay these amounts to Evotec which are funds the Company will be unable to allocate to its clinical trials, research and development. There is no guarantee the Company will be able to raise sufficient capital or access other capital to repay Evotec.

Negative cash flow from operating activities.

The Company's business has incurred losses since its inception. Although the Company expects to become profitable, there is no guarantee that will happen, and the Company may never become profitable. The Company currently has a negative operating cash flow and may continue to have a negative operating cash flow for the foreseeable future. To date, the Company has not generated any revenues and a large portion of the Company's expenses are related to the completion of its current phase I/II clinical trial including contractual commitments and supporting personnel costs. The Company's ability to generate additional revenues and potential to become profitable will depend largely on its ability to obtain approval for and commercialize its biotechnology therapeutic products. There can be no assurance that any such events will occur or that the Company will ever become profitable. Even if the Company does achieve profitability, the Company cannot predict the level of such profitability. If the Company sustains losses over an extended period of time, the Company may be unable to continue its business.

Going-concern risk.

The Company has experienced operating losses and negative cashflows from operations since its inception, and accordingly, it will require ongoing financing in order to support on-going operations or to continue its research and development activities. Until the Company's biotechnology therapeutic products are approved and available for sale and profitable operations are developed, the Company's ability to continue as a going concern is dependent on its

ability to secure additional funding to meet its current short term financial obligations and to fund research and development expenditures. Failure to do so could have a material adverse effect on the Company's financial condition. Until sufficient financing is obtained, the Company plans to defer or reduce planned expenditures. At this time, no assurance can be given that such financing will be available or that, if available, it can be obtained on favourable terms. As a result, material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business. To address this uncertainty, management's plans include seeking additional funding through sources such as loans and strategic alliances, and or equity financings, but there can be no assurance as to when or whether the Company will secure additional funding or complete any strategic alliances. The Interim Financial Statements have been prepared on a going concern basis, however, there can be no assurances that the Company will be successful in completing additional equity or debt financing (or on terms which are acceptable), that its products will generate any revenues or earnings, or that the Company will achieve profitability. The Interim Financial Statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

The Company is subject to risks related to additional regulatory burden and controls over financial reporting.

The Company is subject to the continuous and timely disclosure requirements of Canadian securities laws and the rules, regulations and policies of the TSX. These rules, regulations and policies relate to, among other things, corporate governance, corporate controls, internal audit, disclosure controls and procedures and financial reporting and accounting systems. The Company has made, and will continue to make, changes in these and other areas, including the Company's internal controls over financial reporting. However, there is no assurance that these and other measures that it may take will be sufficient to allow the Company to satisfy its obligations as a public company on a timely basis. In addition, compliance with reporting and other requirements applicable to public companies create additional costs for the Company and require the time and attention of management of the Company. The Company cannot predict the amount of the additional costs that the Company may incur, the timing of such costs or the impact that management's attention to these matters will have on the Company's business. In addition, the Company's inability to maintain effective internal controls over financial reporting could increase the risk of an error in its financial statements. The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives due to its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is therefore subject to error, improper override or improper application of the internal controls. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis, and although it is possible to incorporate safeguards into the financial reporting process to reduce this risk, they cannot be guaranteed to entirely eliminate it. If the Company fails to maintain effective internal control over financial reporting, then there is an increased risk of an error in the Company's financial statements that could result in the Company being required to restate previously issued financial statements at a later date.

Effective internal control is necessary for the Company to provide reliable financial reports and prevent fraud. If the Company cannot provide reliable financial reports or prevent fraud, the Company may not be able to manage its business as effectively as it would if an effective control environment existed, and the Company's business and reputation with investors may be harmed.

Completion of the Offering is subject to conditions.

The completion of the Offering remains subject to satisfaction of a number of conditions, including approval of the Offering by the TSX. There can be no certainty that the Offering will be completed. If the Offering is not completed, the Company may not be able to raise the funds required for the purposes under "*Use of Proceeds*" from other sources on commercially reasonable terms, or at all.

Active liquid market for Common Shares.

There may not be an active, liquid market for the Common Shares. There is no guarantee that an active trading market for the Common Shares will be maintained on the TSX. Investors may not be able to sell their Common Shares quickly or at the latest market price if trading in the Common Shares is not active.

Warrants are speculative in nature and may not have any value.

The Warrants do not confer any rights of Common Share ownership on their holders, such as voting rights or the right to receive dividends, but rather merely represent the right to acquire Common Shares at a fixed price for a limited period of time. Specifically, commencing on the date of issuance, holders of the Warrants may exercise their right to acquire Common Shares by payment of the Exercise Price, subject to certain adjustments at any time prior to 5:00 p.m. (Toronto time) on the Expiry Date, after which date any unexercised Warrants will expire and have no further value. Moreover, following the completion of the Offering, the market value of the Warrants, if any, is uncertain and there can be no assurance that the market value of the Warrants will equal or exceed their imputed offering price.

Use of proceeds.

The Company will have broad discretion concerning the use of the proceeds of this Offering as well as the timing of their expenditure. As a result, purchasers will be relying on the judgment of management for the effective use of such proceeds. Management may use such proceeds in ways that purchasers may not consider desirable. The results and the effectiveness of the investment of the proceeds of this Offering are uncertain. If the proceeds are not applied effectively, the results of the Company's business, financial condition, operations and prospects may suffer.

Loss of entire investment.

An investment in the Units is speculative and may result in the loss of an investor's entire investment. Only investors who are experienced in high-risk investments and who can afford to lose their entire investment should consider an investment in the Company.

Offering amount.

Completion of the Offering is subject to achievement of the Minimum Offering amount. Completion of the Offering also remains subject to a number of conditions precedent. There can be no certainty that the Offering will be completed. If the Offering is not completed, the Company may not be able to raise the funds required for the purposes contemplated under "Use of Proceeds" from other sources on commercially reasonable terms or at all.

Future sales or issuances of securities and dilution

The Company may sell additional Common Shares or other securities in subsequent offerings to finance future activities. The Company cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market

prices of the Common Shares. With any additional sale or issuance of Common Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per Common Share.

The Company may also consider issuing convertible debt or equity securities, which may rank prior to the Unit Shares, in the future to fund potential acquisitions or investments, or for general corporate purposes. The Articles and by-laws provide that Sernova has an unlimited number of Common Shares that may be issued and shareholders will have no pre-emptive rights in connection with such further issuances. If the Company issues convertible debt or equity securities to raise additional funds, Sernova's existing shareholders may experience dilution, and the new convertible debt or equity securities may have advantageous rights, preferences and privileges when compared to those of the Company's existing shareholders. The Company is unable to predict the future amount of such issuances or dilution.

No current market for the Warrants.

The Company has not applied and does not intend to apply to list the Warrants on any securities exchange. There will be no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased in the Offering. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation.

Sale of Common Shares issued upon exercise of the Warrants could encourage short sales by third-parties which could further depress the price of the Common Shares.

Any downward pressure on the price of Common Shares caused by the sale of Warrant Shares issued upon the exercise of the Warrants could encourage short sales by third-parties. In a short sale, a prospective seller borrows Common Shares from a shareholder or broker and sells the borrowed Common Shares. The prospective seller anticipates that the Common Share price will decline, at which time the seller can purchase Common Shares at a lower price for delivery back to the lender. The seller profits when the Common Share price declines because it is purchasing Common Shares at a price lower than the sale price of the borrowed Common Shares. Such sales could place downward pressure on the price of the Common Shares by increasing the number of Common Shares being sold, which could further contribute to any decline in the market price of the Common Shares.

Early-stage development and scientific uncertainty.

Our products are at an early stage of development. Significant additional investment in research and development, process and product definition and validation, technology transfer to manufacturing, production scale-up, manufacturing, clinical testing, and regulatory submissions of such therapeutic product candidates will be required prior to commercialization. There can be no assurance that any such products will be developed. The development and regulatory processes may require access to raw materials and inputs which may not be available to us in sufficient amounts or in a timely fashion to allow us to complete the development or receive regulatory approval of any product or process. A commitment of substantial time and resources is required to conduct research and clinical trials if we are to complete the development of any product candidate. It is not known whether any of these product candidates will meet applicable health regulatory standards and obtain required regulatory approvals, or whether such products can be produced in commercial quantities at reasonable costs and be successfully marketed, or if our investment in any such products will be recovered through sales or royalties.

The Company expects to incur substantial expenditures in connection with the development of its product candidates. If Sernova fails to successfully develop and sell all or any of its resulting products then the Company will not earn any return on its investment, which will adversely affect the Company's results of operations and could adversely affect the market price of the Common Shares. Sernova's success in developing and selling new products will depend upon multiple factors, including:

- the ability to develop safe and effective products and receive regulatory approval;
- acceptance of the product by the medical community and by patients and third-party payors;
- inherent development risks, such as the product proving to be unsafe or unreliable, or not having the anticipated efficacy;
- ability to develop repeatable processes to manufacture new products in sufficient quantities; and
- ability to market and sell its products, either on its own or through a third-party.

If any of these factors cannot be overcome, we may not be able to develop and introduce the Company's product candidates, if approved, in a timely or cost-effective manner, which could adversely affect the Company's future growth and results of operations. Our failure to develop the Company's product candidates could adversely affect the market price of the Common Shares.

The Company relies heavily on the capabilities and experience of key executives and scientists and the loss of any of them could affect the Company's ability to develop its products.

The loss of key members of Company staff could harm the Company. The Company has employment agreements with key staff members although such employment agreements do not guarantee their retention. The Company also depends on its scientific and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability to the Company. In addition, management believes the Company's future success will depend in large part upon its ability to attract and retain highly skilled scientific, managerial, medical, clinical and regulatory personnel, particularly as the Company expands its activities and seeks regulatory approvals for clinical trials. The Company enters into agreements with scientific and clinical collaborators and advisors, key opinion leaders and academic partners in the ordinary course of our business. The Company also enter into agreements with physicians and institutions who will recruit patients into the Company's clinical trials on our behalf in the ordinary course of the Company's business.

Notwithstanding these arrangements, the Company faces significant competition for these types of personnel from other companies, research and academic institutions, government entities and other organizations. The Company cannot predict its success in hiring or retaining the personnel required for continued growth. The loss of the services of any of the Company's executive officers or other key personnel could potentially harm the Company's business, operating results or financial condition.

The Company depends heavily on the success of the Cell Pouch™ platform.

Each of the Company's current product therapeutic candidates involve the use of the Cell Pouch™ platform and are still in preclinical or clinical development. If the Company is unable to commercialize its product or experiences significant delays in doing so, the Company's business may be materially harmed. The Company has committed significant resources to the development of the Cell Pouch™ platform. The Company's ability to generate product revenues, which is not expected to occur for at least the next several years, if ever, will depend heavily on the successful development and eventual commercialization of the Cell Pouch™ platform and related therapeutic cells. The Company is dependent on successful safety and efficacy of the Cell Pouch™ and therapeutic cells for the Company's lead programs including the use of human or xenogeneic islets and stem cell derived cells in combination with the Cell Pouch™ platform, including cell immune protection to treat insulin-dependent diabetes and the use of factor VIII releasing cells in combination with the Cell Pouch™ platform to treat severe hemophilia A. If the Company is unable to achieve safety and efficacy in these disease indications in preclinical and/or clinical studies, the Company's business may be materially harmed.

Patents and proprietary technology.

Our success will depend in part on our ability to obtain, maintain, and enforce patent rights, maintain trade secret protection, and operate without infringing the proprietary rights of third parties. There can be no assurance that pending patent applications will be allowed, that we will develop additional proprietary products that are patentable, that issued patents will provide us with any competitive advantage or will not be challenged by any third parties, or that patents of others will not have an adverse effect on our ability to conduct our business.

Furthermore, there can be no assurance that others will not independently develop similar products, duplicate any of our products, or design around the products patented by us. In addition, we may be required to obtain licenses under patents or other proprietary rights of third parties. No assurance can be given that any licenses required under such patents or proprietary rights will be available on terms acceptable to us, if at all. If we do not obtain such licenses, we could encounter delays in introducing one or more of our products to the market while we attempt to design around such patents, or we could find that our development, manufacturing, or sale of products requiring such licenses could be foreclosed. In addition, we could incur substantial costs in defending ourselves in suits brought against us on such patents or in suits where we attempt to enforce our patents against other parties.

Our ability to maintain the confidentiality of our technology may be crucial to our ultimate potential for commercial success. While we have adopted procedures designed to protect the confidentiality of our technology, no assurance can be given that such arrangements will be effective, that third parties will not gain access to our trade secrets or disclose our technology, or that we can meaningfully protect the rights to our trade secrets.

The pharmaceutical industry is characterized by extensive patent litigation. Other parties may have, or obtain in the future, patents and allege that the use of our technologies infringes these patent claims or that we are employing their proprietary technology without authorization.

In addition, third parties may challenge or infringe upon our existing or future patents. Proceedings involving our patents or patent applications or those of others could result in adverse decisions affecting the patentability of our inventions relating to our key products and the enforceability, validity, or scope of protection offered by our patents relating to our key products and may result in substantial monetary damages or result in significant delays in bringing our key products to market and / or preclude us from participating in the manufacture, use or sale of our key products or methods of treatment requiring licenses. Even if we are successful in these proceedings, we may incur substantial costs and divert management time and attention in pursuing these proceedings, which could have a material adverse effect on us.

Dependence on collaborative partners, licensors, and others.

We currently utilize technology that we have licensed, have an option to license or that has been developed internally by our own researchers. In particular, we are dependent upon our license to use certain technology provided under sublicense agreement with UHN, dated September 9, 2015, for the development of stem-cell product candidates. In addition, we are dependent on access to the iPSC technology being developed pursuant to the Company's collaboration agreement with Evotec, and Evotec's successful and timely completion of iPSC-derived ILCs development, including scale-up and manufacturing. We are also dependent upon our license to use certain local immune protection technology provided under sublicense agreement with the University of Miami, dated July 28, 2020, for expanded protection of therapeutic cells placed inside our Cell Pouch™. While the Company's licenses are in good standing, they may be terminated by the licensor if there is a breach of the license agreement.

Our activities will require us to enter into various arrangements with corporate and academic collaborators, licensors, licensees, and others for the research, development, clinical testing, manufacturing, marketing, and commercialization of our products. We intend to attract corporate partners and enter into additional research collaborations. There can be no assurance, however, that we will be able to establish such additional collaborations on favorable terms, if at all, or that our current or future collaborations will be successful. Failure to attract commercial partners for our products may cause us to incur substantial clinical testing, manufacturing, and commercialization costs prior to realizing any revenue from product sales or result in delays or program discontinuance if funds are not available in sufficient quantities.

Should any collaborative partner fail to develop, manufacture, or successfully commercialize any product to which it has rights, or any partner's product to which we will have rights, our business may be adversely affected. Failure of a collaborative partner to continue to participate in any particular program could delay or halt the development or commercialization of products generated from such program. In addition, there can be no assurance that the collaborative partners will not pursue other technologies or develop alternative products either alone or in collaboration with others, including our competitors, as a means for developing treatments for the diseases targeted by our programs.

Furthermore, we may require licenses for certain technologies, and there can be no assurance that these licenses will be granted or, if granted, will not be terminated, or that they will be renewed on conditions acceptable to us. We intend to negotiate additional licenses in respect of technologies developed by other companies and academic institutions. Terms of license agreements to be negotiated may include, inter alia, a requirement to make milestone payments, which may be substantial. We will also be obligated to make royalty payments on the sales, if any, of products and payments on any sublicensing revenue derived from the licensed technology and, in some instances, may be responsible for the costs of filing and prosecuting patent applications.

We rely and will continue to rely on third parties to conduct some portions of our preclinical and clinical development activities. Preclinical activities include proof-of-concept and safety studies. Clinical development activities include trial design, regulatory submissions, clinical patient recruitment, clinical trial monitoring, clinical data management and analysis, safety monitoring, and project management. If there is any dispute or disruption in our relationship with third parties, or if they are unable to provide quality services in a timely manner and at a reasonable cost, our active development programs will face delays. Further, if any of these third parties fail to perform as we expect or if their work fails to meet regulatory requirements, our testing could be delayed, canceled, or rendered ineffective.

Reliance on third parties to manufacture product candidates.

Currently, Sernova does not have manufacturing facilities to independently manufacture its product candidates. Except for any contractual rights and remedies which Sernova may have with any future third-party manufacturers, Sernova may not have any control over the availability of its product candidates, their quality, or cost. If, for any reason, Sernova is unable to secure third-party manufacturers on commercially acceptable terms, it may not be able to distribute its product candidates.

Third-party medical industry manufacturers are subject to ongoing periodic unannounced inspection by Health Canada, the U.S. FDA, and corresponding state and foreign agencies, including European agencies and their designees, to ensure strict compliance with GMPs and other government regulations. Sernova will not have complete control over its third-party manufacturers' compliance with these regulations and standards. Failure by either Sernova's third-party manufacturers or by Sernova to comply with applicable regulations could result in sanctions being imposed, including fines, injunctions, civil penalties, failure of the government to grant review of submissions or market approval of drugs, delays, suspension, or withdrawal of approvals, product seizures or recalls, operating restrictions, facility closures and criminal prosecutions, any of which could negatively impact the business.

Health Canada and the U.S. FDA ensure the quality of products by carefully monitoring manufacturers' compliance with Good Manufacturing Practices regulations. Any manufacturing failures or delays or compliance issues could cause delays in the completion of our preclinical and clinical activities. There can be no assurances that our contract manufacturers will be able to meet our timetable and requirements. We have currently not contracted with alternate suppliers, in the event our contract manufacturer is unable to scale up production, or if they otherwise experience any other significant problems. If we are unable to arrange for alternative third-party manufacturing sources on commercially reasonable terms or in a timely manner, we may be delayed in the manufacture of our product. Further, contract manufacturers must operate in compliance with GMP, and failure to do so could result in, among other things, the disruption of our product supplies. Our dependence upon third parties for the manufacture of our products may adversely affect our profit margins and our ability to develop and deliver products on a timely and competitive basis.

Volatility of share price, absence of dividends, and fluctuation of operating results.

Market prices for the securities of biotechnology companies, including the Company's, have historically been highly volatile. Factors such as general market conditions, biotech sector investment sentiment, fluctuation of the Company's operating results, announcements of technological innovations, patents or new commercial products by us or our competitors, results of clinical testing, regulatory actions, or public concern over the safety of biopharmaceutical products and other factors could have a significant effect on the share price or trading volumes for our Common Shares. The Common Shares have been subject to significant price and volume fluctuations and may continue to be subject to significant price and volume fluctuations in the future. We have not paid dividends to date, and we do not expect to pay dividends in the foreseeable future.

INTEREST OF EXPERTS

Certain legal matters relating to the Offering hereby will be passed upon on behalf of the Company by McMillan LLP, and on behalf of the Agents by Borden Ladner Gervais LLP. As at the date of this Prospectus, the partners and associates of McMillan LLP and Borden Ladner Gervais LLP, each as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding Common Shares.

KPMG LLP, Chartered Professional Accountants, the auditor of the 2023 Financial Statements, is located at 777 Dunsmuir St., PO Box 10426 Vancouver, British Columbia, V7Y 1K3, Canada. KPMG LLP reports that they are independent from the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after the later of (a) the date that the issuer (i) filed the prospectus or any amendment on SEDAR+ and a receipt is issued and posted for the document, and (ii) issued and filed a news release on SEDAR+ announcing that the document is accessible through SEDAR+, and (b) the date that the purchaser or subscriber has entered into an agreement to purchase the securities or a contract to purchase or a subscription for the securities. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

In an offering of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in a prospectus is limited, in certain provincial securities legislation, to the price at which the Warrant is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal advisor.

ADDITIONAL INFORMATION

Following the completion of the Offering, the Company will be required to file reports and other information with the securities commissions in certain provinces of Canada. These filings will be electronically available from SEDAR+ at www.sedarplus.com.

CERTIFICATE OF THE COMPANY

Dated: June 6, 2024

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, other than Québec.

(signed) "Cynthia Pussinen"	***(signed) "Nicholas Rossettos"***
Cynthia Pussinen Chief Executive Officer	Nicholas Rossettos Interim Chief Financial Officer

On behalf of the Board of Directors

(signed) "James T. Parsons"	***(signed) "Brett Whalen"***
James T. Parsons Director	Brett Whalen Director

CERTIFICATE OF THE AGENT

Dated: June 6, 2024

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, other than Québec.

STIFEL NICOLAUS CANADA INC.

(signed) "Brandon Roopnarinesingh"

Brandon Roopnarinesingh
Director, Investment Banking