INDIVA LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE THREE MONTHS ENDED MARCH 31, 2024

MAY 23, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ("MD&A")

The following is a discussion and analysis of the financial condition and results of operations of Indiva Limited ("**Indiva**" or the "**Company**") for the three months ended March 31, 2024. This MD&A should be read in conjunction with the Company's condensed consolidated interim financial statements and accompanying notes for the three months ended March 31, 2024 and 2023 (the "**Interim Financial Statements**").

All amounts in the MD&A are in thousands of Canadian dollars, except for per share amounts or unless indicated otherwise. The Company's accounting policies are in accordance with IFRS other than certain non-IFRS financial measures. For further information, see the section entitled "*Non-IFRS Financial Measures*".

The Company's continuous disclosure documents are available on the System for Electronic Document Analysis and Retrieval ("**SEDAR+**") at www.sedarplus.ca.

Indiva does not directly engage in any U.S. marijuana-related activities as defined in Canadian Securities Administrators Staff Notice 51-352 dated February 8, 2012 (the "**CSA Notice**"). While the Company has partnered with U.S. based companies, these entities are not engaged in the cultivation, possession, or distribution of marijuana. Instead, the Company has partnered with U.S.-based companies which develop and license intellectual property and copyright branding to the cannabis market, and do not engage in 'plant-touching' activities.

The effective date of this MD&A is May 23, 2024.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements which contain "forward-looking information" and "forward-looking statements" within the meaning of applicable securities legislation (each, a "**forward-looking statement**"). No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon. Forward-looking information is, by its nature, prospective. It requires the Company to make certain assumptions and is subject to inherent risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential", "capable", "budget", "*pro forma*" and similar expressions are intended to identify forward-looking statements. Forward-looking statements include, among others, statements pertaining to:

- the Company's future business and development prospects and strategies
- the Company's future operating and financial results;
- the competitive and business strategies of the Company;
- whether the Company will have sufficient working capital and its ability to raise additional financing required in order to develop its business, continue operations, and/or pursue prospective opportunities;

- expectations regarding production costs;
- competitive conditions of the cannabis industry;
- changes in the regulatory environment, including the introduction of new provincial and federal regulatory regimes relating to recreational cannabis;
- the impact of changes in Canadian federal and provincial laws regarding medical and recreational cannabis on the Company;
- expansion into international markets;
- the performance of the Company's business and operations;
- compliance with all applicable laws and regulations applicable to the Company, both in Canada and internationally, including the CSA Notice (as defined herein); and
- compliance with TSX Venture Exchange ("**TSXV**") policy.

The forward-looking statements within this document are based on information currently available and what management believes are reasonable assumptions. Those assumptions include, but are not limited to, assumptions on: (i) the Company's ability to generate cash flow from operations and obtain necessary financing on acceptable terms; (ii) general economic, financial, market, regulatory and political conditions in which the Company operates; (iii) consumer interest in the Company's products; (iv) competition; (v) anticipated and unanticipated costs; (vi) government regulation of the Company's activities and products; (vii) timely receipt of any required regulatory approvals; (viii) the Company's ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; and (ix) the Company's development plans and the timeframe for completion of such plans. Forward-looking statements speak only as of the date of this MD&A. In addition, this MD&A may contain forward-looking statements attributed to third party industry sources, the accuracy of which has not been verified by the Company.

Forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. A number of factors could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking statements in this MD&A, including, but not limited to, the following material factors:

- failure to comply with the requirements of the Licence to cultivate, process and sell cannabis;
- failure to maintain the Licence to cultivate, process and sell cannabis;
- share price volatility;
- any adverse change or event impacting the Indiva Facility;
- the Company's ability to obtain additional financing;

- the failure to obtain required regulatory approvals or permits;
- delays in the delivery or installation of equipment by suppliers;
- difficulties in integrating new equipment with existing facilities, shortages in materials or labor, defects in design or construction, diversion of management resources, and insufficient funding or other resource constraints;
- any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of cannabis;
- a bankruptcy, liquidation or reorganization of the Company or any of the Company's subsidiaries;
- any delays in transporting the Company's product, breach of security or loss of product;
- increased competition, including increased competition as a result of the legalization of recreational cannabis;
- failure to integrate an acquired business or realize the anticipated benefits of new partnerships;
- amendments to laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of medical and recreational cannabis, health and safety, privacy, conduct of operations and protection of the environment;
- loss of key personnel;
- the failure of the Company to effectively manage growth;
- failure to comply with all applicable laws and regulations, both in Canada and internationally, including the CSA Notice;
- rising energy costs;
- dependence on and failure to adhere to, third-party license agreements;
- failure to protect the Company's intellectual property;
- potential conflicts of interest between management and the Company;
- environmental and employee health risks;
- restrictions on sales and marketing activities;
- co-investment with third parties;
- product recalls and obsolescence;

- results from future clinical research;
- fraudulent or illegal activity by employees, contractors or consultants;
- competition from the illicit supply of cannabis;
- security and cybersecurity breaches; and
- failure to comply with TSXV policy.

We caution that this list is not exhaustive of all possible factors. For a detailed description of risk factors associated with the Company, refer to the "Risks and Uncertainties" section of the Company's management's discussion and analysis for the year ended December 31, 2023 (the "**Annual MD&A**"), filed on April 25, 2024 which is available on the Company's SEDAR+ profile. New factors emerge from time to time, and it is not possible for management to predict them all or to assess in advance 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. Readers are cautioned that these factors are difficult to predict and that the assumptions used in developing the forward-looking statements may prove to be incorrect. Accordingly, readers are cautioned that the Company's actual results may vary from the forward-looking statements, and the variations may be material.

This MD&A may contain market and industry data and forecasts obtained from third party sources, industry publications and publicly available information. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information. Although management believes it to be reliable, the Company has not independently verified any of the data from third party sources referred to in this MD&A or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources.

The forward-looking statements contained in this MD&A are expressly qualified by the foregoing cautionary statements and are made as of the date of this MD&A. Except as may be required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statement to reflect events or circumstances after the date of this MD&A or reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise. You should not place undue reliance on the forward-looking statements.

OVERVIEW

INDIVA'S BUSINESS

Indiva, via its indirect wholly owned subsidiary, Indiva Inc., is a Canadian producer of cannabis servicing the recreational and medical markets. The Company is based in London, Ontario, Canada and its common shares (the "**Common Shares**") are listed on the TSXV under the symbol "NDVA".

Indiva's business objective is to produce and sell cannabis products, including extract and edible products. As of the date hereof, the Company does not grow cannabis on-site, but rather focuses on the Company's core competencies, being the production and processing of edible and extract cannabis products as well as packaging of edibles and extracts.

Indiva sells the majority of its cannabis products to consumers in the recreational market in the provinces of Ontario, British Columbia, Alberta, Quebec, Nova Scotia, Saskatchewan, Manitoba, New Brunswick, Prince Edward Island, Newfoundland, the Yukon, Northwest Territories, and Nunavut. Indiva sells its cannabis products on a wholesale basis to other licensed producers of marijuana under the Cannabis Act (Canada) and the Cannabis Regulations ("**Licensed Producers**") for sale into medical channels. In Q1 2024, the Company made the decision to exit the Yukon market.

As of the date hereof, the Company currently holds the following cannabis licences issued by Health Canada:

1. Standard Cultivation;
2. Standard Processing;
3. Sale for Medical Purposes; and
4. Research

(collectively, the "**Licence**").

The Licence enables the Company to sell, distribute, send and deliver cannabis plants, cannabis plant seeds, dried cannabis, fresh cannabis, cannabis topicals, cannabis extracts and edible cannabis. On July 4, 2023, the Company successfully renewed the Licence with Health Canada for another five-year term and the Licence expires July 4, 2028.

On April 25, 2022, the Company received its Research Licence from Health Canada which enables it to possess cannabis for the purpose of research. The Company intends to use the Research Licence to prepare and conduct sensory trials. The Research Licence was granted for a five-year term and expires April 25, 2027.

The Company's business is the production of cannabis and cannabis-based products at its facility located at 1050 Hargrieve Road in London, Ontario (the "**Indiva Facility**"). The Indiva Facility is a production, processing and distribution facility. At the Indiva Facility, cannabis and products produced from cannabis extracts are processed in individually segregated and highly-controlled processing rooms. The Indiva Facility was fully licensed as of March 30, 2020, and consists of offices and approximately 40,000 square feet of licensed cannabis production and processing space. The Company invested $11,600.0 to retrofit the existing building to enable the production and processing of cannabis and cannabis products.

The Indiva Facility is owned by the Company. Management believes that the Indiva Facility has sufficient power and water to support its expanded production operations.

All of Indiva's assets and operations are located in Canada.

As at March 31, 2024, the Company had no off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Indiva's management team includes individuals with experience in cannabis production, finance, corporate and business development, branding and advertising, operations and supply chain management, regulatory and quality assurance and cannabis client care, sales and distribution.

OVERVIEW OF OPERATIONS

Provincial Supply Agreements

As of the date hereof, Indiva distributes products in the recreational channel to 12 provinces and territories in Canada. The Company has entered into supply agreements with the following provincial and territorial entities:

- the Ontario Cannabis Retail Corporation doing business as the Ontario Cannabis Store;
- Alberta Gaming, Liquor and Cannabis Commission;
- Nova Scotia Liquor Commission;
- Société Québécoise Du Cannabis; and
- British Columbia Liquor Distribution Branch.

The Company is also authorized with Saskatchewan Liquor and Gaming Authority, the Manitoba Liquor and Lotteries, Cannabis NB Ltd, Northwest Territories Liquor and Cannabis Commission, Cannabis NL, PEI Cannabis Corporation, and Nunavut Liquor and Cannabis Commission to sell into Saskatchewan, Manitoba, New Brunswick, Northwest Territories, Newfoundland, Prince Edward Island and Nunavut respectively.

The Company has entered into supply agreements with Avicanna, previously Medical Cannabis by Shoppers Inc., a subsidiary of Shoppers Drug Mart Inc. and Tilray Brands, Inc. as well as several other Licensed Producers to sell Indiva's products through their medical platforms.

Indiva Life Lozenges

On March 14, 2023, the Company received notification from Health Canada of its determination that certain of its lozenges were improperly classified as an "extract" rather than an "edible" under applicable cannabis regulations. Health Canada requested that Indiva cease production of the lozenges. The lozenges subject to this determination were the Indiva Life Wild Cherry THC Lozenges and Indiva Life Lemon THC Lozenges in their 100 mg, 250 mg and 500 mg THC per package formats (the "**Products**"). Prior to the launch of the Products, the Company closely considered the regulatory requirements of the legislation, including with respect to product classification, and conducted substantial research. Consistent with the legislative requirements and the Company's research, the Company classified the Products as cannabis extracts. The Company paused production of the Products to consult with its advisors and considers next steps and a potential resolution of this matter. Subsequently, the Company chose to cease production of the Products and delist the related SKUs from its provincial listings. In the future, the Company may choose to continue manufacturing the Products in alternative packaging formats.

Grön license agreement

On December 14, 2021, the Company entered into an exclusive licensing and manufacturing agreement with Grön LLC ("**Grön**") to manufacture and sell Grön products in Canada. The license has an initial term of five years and renews automatically for three additional terms of five years. The Company began producing Pearls by Grön ("**Pearls**") in Q2 2022 and sales began in Q3 2022 in select provinces including Ontario and British Columbia. During Q2 2023, Pearls launched in Alberta and is now available in all markets in which the Company operates.

Bhang Licence agreement

On July 20, 2020, Indiva entered into a license agreement (the "**Bhang Agreement**") with Bhang Corporation ("**Bhang**"), an award-winning licensor of cannabis, edibles and concentrates. The Bhang Agreement provides Indiva with exclusive rights to manufacture and sell Bhang products in Canada as well as the right to export those products internationally (the "**Bhang License**"). The Bhang License has an initial termination date of December 31, 2030 and is renewable for two additional five (5) year terms. In exchange for the Bhang License, the Company paid an upfront license fee of $1,356.0 (USD$1,000.0), and the Company pays Bhang a net royalty on the sale of Bhang products manufactured and sold by the Company as well as a royalty on any non-Bhang cannabis chocolate products produced and sold by the Company. The Company began sales of Bhang licensed products in Q1 2020.

Wana Licence agreement

In 2020, the Company announced a license agreement (the "**Wana Agreement**") with The Cima Group LLC ("**Wana**"). Under the terms of the Wana Agreement, Indiva had the exclusive right to produce and distribute Wana products, including gummies and soft chews, in Canada.

On May 30, 2023, the Company announced that it had entered into a license assignment and assumption agreement whereby Canopy Growth ("Canopy") acquired the Wana Agreement from the Company which provides Canopy with the exclusive rights and interests to manufacture, distribute, and sell Wana branded products in Canada. Concurrently, Canopy and Indiva also entered into a supply agreement under which Canopy granted Indiva the exclusive right to manufacture and supply Wana branded products in Canada for a period of five years, with the ability to renew for an additional five-year term upon mutual agreement of the parties.

DeepCell Licence Agreement

On April 26, 2018, Indiva announced an exclusive license agreement (the "**DeepCell Agreement**") with DeepCell Industries ("**DeepCell**"), a Seattle-based technology development company focusing on material science, microfluidics and cannabinoid molecule discoveries. Pursuant to the DeepCell Agreement, Indiva acquired exclusive rights in Canada to manufacture and sell DeepCell's complete line of products in exchange for payment of future royalties. Approval for the transaction was obtained from the TSXV on June 11, 2018. Indiva has paid USD $1,500.0 to DeepCell for prepaid royalties. The Company began to manufacture products pursuant to the DeepCell Agreement in Q4 2021, the first shipments occurred in December 2021 to the OCS.

Dime Manufacturing and Licensing Agreement

On April 19, 2022, the Company announced that it had entered into a manufacturing and licensing agreement (the "**Dime Agreement**") with Dime Industries™ Inc. ("**Dime**"). Under the terms of the Dime Agreement, Indiva has the exclusive right to produce and distribute Dime vape products in Canada. The Dime Agreement has an initial term of five years and automatically renews for three additional five-year terms. The Company started initial deliveries to provincial wholesalers in Q3 2022. On January 16, 2024 the Dime Agreement was terminated.

No Future

On August 10, 2023, the Company announced that it had launched a new value-focused cannabis brand called No Future. No Future initially launched with four flavours of THC gummies and three varieties of 1.2g 510 vapes. Sales to British Columbia and Alberta began in July and August 2023 respectively while Sales to Ontario began in September 2023. No Future products are now available in all markets in which the Company operates and has expanded to ten flavours of THC gummies, including three flavours of Stupidly Sour gummies, seven varieties of 1.2g 510 vapes and one Fatty Patty, consisting of chocolate chip cookie dough enrobed in chocolate.

SNDL Strategic Investment

On February 23, 2021, the Company closed a $22,000.0 strategic investment from SNDL Inc. ("**SNDL**", formerly Sundial Growers Inc.). The investment was completed in the form of a brokered private placement of 25,000,000 Common Shares at a price of $0.44 per Common Share, for gross proceeds of $11,000.0 ("**SNDL Subscription**"), and a non-revolving term loan facility in the principal amount of $11,000.0 ("**SNDL Loan**" and together with the SNDL Subscription, the "**SNDL Investment**"). The non-revolving term loan was issued net of a 4% discount, the facility originally matured on February 23, 2024 and had an interest rate of 9% per annum. 50% of the accrued interest was payable in cash on the last day of each month and the remaining 50% of accrued interest was payable, at the option of Indiva, (i) in cash on the last day of each month, or (ii) payable in arrears on the maturity date. Pursuant to the SNDL Investment, SNDL and Indiva entered into an investor rights agreement whereby SNDL was granted the right to participate in future equity financings to maintain its pro-rata ownership in Indiva and registration rights, subject to customary limits and exceptions. The Company incurred $597.0 in fees directly related to the issuance of Common Shares pursuant to the SNDL Subscription.

Pursuant to the SNDL Investment, the Company settled the previously outstanding loan payable, factoring payable facilities, and outstanding promissory note.

On October 4, 2021, the Company amended the terms of the SNDL Loan. Under terms of the amendment, Indiva received an additional advance totalling $8,500.0. The interest rate on the total amount of principal and accrued interest outstanding on the facility was increased to 15% per annum with interest payable monthly and the loan maturing on February 23, 2024. The Company used the majority of the proceeds from the SNDL Loan to fund a claim settlement.

On August 28, 2023, Indiva amended the terms of its existing non-revolving term loan facility (the "Amended Term Loan") with SNDL and also entered into a supply agreement with SNDL (the "Supply Agreement") whereby SNDL will supply the Company with certain distillate products on an exclusive basis.

The Supply Agreement provides for minimum monthly purchase commitments by the Company (the "Minimum Purchase Commitment"). The prices of all products supplied under the Supply Agreement are subject to periodical adjustments depending on prevailing market pricing. The Supply Agreement has an initial term of thirty (30) months, which automatically renews for successive twelve (12) month periods, unless earlier terminated. Provided that the aggregate minimum purchase commitment under the Supply Agreement has been met, the Supply Agreement will automatically terminate upon the re-payment of the Amended Term Loan, unless the Company elects otherwise.

The Amended Term Loan extends the maturity date to February 24, 2026 and extends the existing security interest in favour of SNDL under the Amended Term Loan to the Minimum Purchase Commitment. The interest rate and other terms of the Amended Term Loan remain the same except for the addition of an event of default, whereby a default under the Supply Agreement (which is not cured by the applicable time period set out in the Supply Agreement) would constitute an event of default under the Amended Term Loan.

On April 1, 2024, the Company entered into an amendment to the second amended and restated promissory note between the Company and SNDL (the “Amending Agreement”). Pursuant to the Amending Agreement, the Company repaid $2,000.0 of the principal outstanding of the SNDL Loan and the requirement that the Company ensure a $2,000.0 minimum unrestricted cash balance at all times was removed. As well, if certain current liabilities totaling $4,913.0 are not paid by May 31, 2024, and that timeline is not further extended by SNDL, then, at the lender’s discretion, certain rights of the lender in the context of a breach may be accelerated pursuant to the terms of the SNDL Loan. The interest rate, maturity date and other terms of the SNDL Loan remain the same. The Company also announced on April 2, 2024, that it had engaged a financial advisor to assist the Company in the evaluation of potential strategic alternatives intended to maximize shareholder value, including but not limited to, financing alternatives, a merger, amalgamation, plan of arrangement, consolidation, reorganization or other similar transactions. As disclosed in our April 2, 2024 news release, SNDL and the Company continue to act as commercial partners and SNDL remains supportive of Indiva and this process.

2019 Convertible Debentures

On December 6, 2019, the Company announced a non-brokered unsecured convertible debenture (the "**2019 Debentures**") financing of up to $4,000.0 (the "**2019 Offering**"). The Company completed the first tranche of the 2019 Offering in an aggregate principal amount of $2,115.0 on December 23, 2019, and the second tranche of the 2019 Offering in an aggregate principal amount of $1,040.0 on January 20, 2020. The 2019 Debentures: (i) mature on the date that is 36 months from the date of issuance; (ii) bear interest at the rate of 10% per annum, computed on the basis of a 360-day year composed of twelve 30-day months, and payable semi-annually on the last day of June and December of each year; and (iii) are convertible, at the option of the holder, into Common Shares at a conversion price of $0.20 per Common Share.

2020 Convertible Debentures

On February 4, 2020, the Company completed a non-brokered unsecured convertible debenture (the "**2020 Debentures"** and together with the 2019 Debentures, the **"Convertible Debentures**") offering of $1,500.0 (the "**2020 Offering**"). The 2020 Offering was subscribed for by Prairie Merchant Corporation ("**PMC**") and another entity, both controlled by, or affiliated with, W. Brett Wilson. The subscription for the 2020 Debentures by PMC was in addition to its existing shareholdings of the Company and the $500.0 aggregate principal amount of 2019 Debentures. The 2020 Debentures: (i) mature on the date that is 36 months from the date of issuance; (ii) bear interest at the rate of 10% per annum, computed on the basis of a 360-day year composed of twelve 30-day months, and payable semi-annually on the last day of June and December of each year; and (iii) are convertible, at the option of the holder, into Common Shares at a conversion price of $0.25 per Common Share.

On February 4, 2023, $250.0 of Convertible Debentures held by the holder who did not choose to participate in the amendment matured. The Company repaid the principal of the Convertible Debenture on that date.

Amended Convertible Debentures

On December 23, 2022, the Company entered into an agreement to amend certain of the 2019 Debentures and 2020 Debentures in the aggregate principal amount of $2,740.0, of the total outstanding principal amount of $2,990.0 (the "Amended Convertible Debentures"), to extend the maturity date to December 31, 2024. The original interest rate of 10% per annum remains unchanged and is payable semi-annually. The Amended Convertible Debentures are convertible into Common Shares at a price of $0.15 per Common Share at any time prior to the close on the business day immediately prior to the maturity date.

There were no conversions of the Amended Convertible Debentures in the three months ended March 31, 2024.

Omnibus incentive plan

On June 24, 2021, the Company amended its omnibus incentive plan to allow for the issuance of restricted share units ("**RSUs**") and was further amended on June 23, 2022 and July 18, 2023.

During the year ended December 31, 2023, the Company did not grant any RSUs or stock options.

On January 3, 2024, the Company granted 3,645,836 restricted share units to directors and officers of the Company. The units vest one year from the grant date and had a fair value of $0.095 per restricted share unit on the date of the grant. The Company also granted 3,524,778 stock options to directors and employees of the Company. The options will vest in three years from the grant date. The options expire on January 3, 2029 and are exercisable into Common Shares at an exercise price of $0.095 per Common Share. The Company also granted 100,000 options to consultants of the Company. The options will vest over a period of one year with ¼ of the options granted vesting on each three-month anniversary of the grant date. The options expire on January 3, 2029 and are exercisable into Common Shares at an exercise price of $0.095 per Common Share.

INDUSTRY TRENDS

Economic and industry factors are substantially unchanged compared to the Annual MD&A. For a detailed description of economic and industry factors, refer to the "Industry Trends" section of the Annual MD&A, which is available on the Company's SEDAR+ profile.

SELECTED FINANCIAL INFORMATION

(ALL FIGURES IN THIS SECTION ARE IN THOUSANDS OF $, EXCEPT PER SHARE FIGURES)

Summary of Q1 2024 Results

	Three months ended March 31,	
(in thousands of $, except per share figures)	**2024**	**2023**
	$	**$**
Gross revenue	**10,642.1**	10,369.3
Net revenue	**9,328.5**	9,412.1
Net loss	**(1,770.1)**	(2,252.4)
Comprehensive loss	**(1,770.1)**	(2,252.4)
Adjusted EBITDA*	**119.3**	414.8
Net loss per share – basic and diluted	**(0.01)**	(0.02)
Comprehensive loss per share – basic and diluted	**(0.01)**	(0.02)

*Adjusted EBITDA is a non-IFRS measure. See "*Non-IFRS Measures*" section for an explanation of how this measure is calculated.

Highlights for Q1 2024:

- Gross revenue for the three months ended March 31, 2024 was $10,642.1 representing a 2.6% increase compared to the three months ended March 31, 2023, driven primarily by higher sales of Pearls by Grön gummies and the launch of products under the No Future brand offset by the loss of lozenge revenue due to the Health Canada decision to reclassify the product and Wana moving to a contract manufacturing agreement subsequent to Canopy's acquisition of the Wana license from the Company.

- The Company's gross margin before inventory write-downs in the three months ended March 31, 2024, was 29.7% compared to 33.6%% in the three months ended March 31, 2023. The decline in gross margin for the three month period was due primarily to the loss of high margin lozenges partially offset by lower unit costs driven by the implementation of automated equipment in edibles processing and packaging as well as a one-time property tax re-assessment for 2023 of $105.6 billed and expensed in 2024.

- The Company's operating expenses in the three months ended March 31, 2024 totaled $3,209.6, consistent with $3,232.0 in the three months ended March 31, 2023.

- The Company reported Adjusted EBITDA of $119.6 in the three months ended March 31, 2024 compared to Adjusted EBITDA of $414.8 for the three months ended March 31, 2023. The decline for the three month period was due primarily to the lower write down of inventory offset by higher share-based compensation and other expenses.

RESULTS OF OPERATIONS

Revenue and Cost of Sales

	Three months ended March 31,	
(in thousands of $)	**2024**	**2023**
	$	**$**
Gross revenue	**10,642.1**	10,369.3
Excise taxes	**(1,313.6)**	(957.2)
Net revenue	**9,328.5**	9,412.1
Cost of goods sold	**(6,544.2)**	(6,250.7)
Write-down of inventory	**(17.5)**	(824.0)
Gross margin	**2,766.8**	2,337.4

Net Revenue and Cost of Goods Sold

Net revenue for the three months ended March 31, 2024 was $9,328.5 compared to $9,412.1 in 2023. Net revenue decreased slightly as Q1 2023 included a one-time recovery of excise taxes of $189.2. Although the Company did not have any revenue from the sale of lozenges in Q1 2024 and saw a decrease in revenue from Wana gummies as a result of the transition to contract manufacturing for that brand, the Company was able to fully offset those revenue reductions with growth in sales of Pearls by Grön gummies as well as the launch of products under the No Future brand.

Cost of goods sold for the three months ended March 31, 2024 was $6,544.2 compared to $6,250.7 in the prior year period. Cost of goods sold as a percentage of net revenue during the three months ending March 31, 2024, was 70.2%, up from 66.4% compared to the prior year period mainly due to a one-time 2023 property tax re-assessment received and recognized in 2024, the loss of high margin and low cost lozenges and a small increase in overhead and indirect labour costs as compared to Q1 2023.

Cost of goods sold includes the direct and indirect costs of materials and labour related to inventory sold, and includes processing, packaging, and shipping costs, licensing and royalty fees, depreciation and applicable stock-based compensation and direct and indirect overhead.

During the three months ended March 31, 2024, the Company recorded a write-down of inventory totaling $17.5, down from $824.0 in 2023. The inventory write-downs in Q1 2023 primarily related to the disposal of returned finished extracts related to lozenges which could not be sold due to Health Canada's order to halt production and sale of these products as well as disposal of products that did not meet the Company's quality standards, aged inventory and packaging material. The Company also recorded an inventory impairment recovery of $76.4 in Q1 2024 related to previously written down raw materials Management determined could be used in new SKUs being listed.

Excise taxes are payable on each discrete unit of cannabis sold for the adult recreational market however this does not apply to cannabis sold to other Licensed Producers. Excise taxes as a percentage of gross revenue was 12.3% for the three months ended March 31, 2024 up from 9.2% when compared with the prior year.

Operating Expenses

	Three months ended March 31,	
(In thousands of $)	**2024**	**2023**
	$	**$**
General and administrative	**1,573.3**	1,584.7
Marketing and sales	**1,270.6**	1,212.0
Research and development	**151.1**	266.7
Share-based compensation	**117.8**	66.1
Expected credit loss	**4.9**	0.5
Depreciation of property, plant and equipment	**40.0**	50.2
Amortization of intangible assets	**51.9**	51.9
Total operating expenses	**3,209.6**	3,232.0

General and administrative expenses for the three months ended March 31, 2024 were $1,573.3 which was flat with the comparative prior year quarter.

Marketing and sales expenses for the three months ended March 31, 2024 increased 4.8% to $1,270.6 when compared to expenses for the three months ended March 31, 2023. Sales and marketing costs were higher primarily due to sales commissions.

Research and development expenses for the three months ended March 31, 2024 decreased to $151.1, down 43.3% when compared to the three months ended March 31, 2023, primarily due to the lower expenditures incurred associated with in-house innovation for the No Future brand as opposed to prior year innovation activities.

Depreciation of property, plant and equipment decreased to $40.0 for the three months ended March 31, 2024, a decrease of 20.3% from the three months ended March 31, 2023. Total depreciation expense for the three months ended March 31, 2024 was $356.3 (three months ended March 31, 2023 - $353.3), of which $316.2 related to production facility and equipment which has been capitalized in the production cost of inventory for the three months ended March 31, 2024 (three months ended March 31, 2023 - $303.2).

Amortization of intangible assets for the three months ended March 31, 2024 relates to amortization of the Bhang Agreement. Effective July 20, 2020, under the terms of the amended Bhang Agreement, the Bhang Licence for the Bhang branded products was recorded as an intangible asset and the cost is amortized over the term of the Bhang Agreement.

Other Income (Expenses)

	Three months ended March 31,	
(in thousands of $)	**2024**	**2023**
	$	**$**
Realized foreign exchange loss	**(6.8)**	(6.6)
Finance costs	**(1,193.2)**	(1,255.4)
Interest income	**22.6**	21.3
Gain on issuance of shares	**-**	3.3
Impairment loss on assets held for sale	**-**	(120.4)
Other expenses	**150.0**	-

Finance Costs

	Three months ended March 31,	
(in thousands of $)	**2024**	**2023**
	$	**$**
Interest on loan payable	**738.7**	730.6
Interest on convertible debentures	**68.5**	70.9
Accretion of discount on loan payable	**46.2**	97.9
Accretion on convertible debentures	**56.8**	46.4
Amortization of deferred financing costs	**37.4**	67.1
Interest on lease liabilities	**10.2**	13.8
Interest on other liabilities	**44.2**	45.2
Other interest and bank charges	**191.2**	183.7
Total finance costs	**1,193.2**	1,255.6

Finance costs recorded in the three months ended March 31, 2024 decreased by $62.4 compared to the same period in 2023 driven by the accretion of discount on loan payable and amortization of deferred financing costs.

The Company incurred non-cash accretion interest charges totaling $46.2 for the three months ended March 31, 2024 related to the loan payable which was recorded at fair value net of $579.3 discount from the principal at issuance.

Amortization of deferred financing costs recorded in the three months ended March 31, 2024 relate to the amortization of transaction costs on the SNDL Loan and the Convertible Debentures.

Non-IFRS Measures

Adjusted EBITDA is provided to assist readers in determining the ability of the Company to generate cash from operations and to cover financial charges. The calculation of Adjusted EBITDA is comprised of the net loss and comprehensive loss of the Company added or subtracted as applicable as provided in the detailed reconciliation found in this MD&A. There are a number of individual financial statement adjustments however, they are inclusive of, interest expense and income, income taxes, depreciation and amortization, fair value gains or losses, impairments or settlements, foreign exchange, share based compensation, gains or losses on the sale or disposal of assets and any other unusual items. The most directly comparable financial measure to Adjusted EBITDA is net loss.

While Adjusted EBITDA is used by management of the Company to assess the historical financial performance of the Company, as applicable, readers are cautioned that:

- non-IFRS financial measures, such as Adjusted EBITDA, are not recognized financial measures under IFRS;
- the Company's method of calculating non-IFRS financial measures, such as Adjusted EBITDA, may differ from that of other corporations or entities and therefore may not be directly comparable to measures utilized by other corporations or entities;
- in the future, the Company may disclose different non-IFRS financial measures in order to help its investors more meaningfully evaluate and compare future results of operations to previously reported results of operations;
- non-IFRS financial measures, such as Adjusted EBITDA, should not be viewed as an alternative to measures that are recognized under IFRS such as profit or loss or cash from operating activities; and readers should not place undue reliance on any non-IFRS financial measures.

Adjusted EBITDA reconciliation is as follows:

	Three months ended March 31,	
(in thousands of $)	**2024**	**2023**
	$	**$**
Net loss and comprehensive loss	**(1,770.1)**	(2,252.4)
Finance costs	**1,193.2**	1,255.4
Interest income	**(22.6)**	(21.3)
Depreciation of property, plant and equipment	**40.0**	50.2
Amortization of intangible assets	**51.9**	51.9
Amortization in cost of sales	**316.2**	303.2
EBITDA	**(191.3)**	(613.1)
Write-down of inventory	**17.5**	824.0
Share-based compensation	**117.8**	66.1
Share-based compensation in cost of sales	**14.0**	13.7
Foreign exchange gain	**6.8**	6.6
Gain on issuance of shares	**-**	(3.3)
Impairment loss on assets held for sale	**-**	120.4
Other expenses	**150.0**	-
Expected credit loss	**4.9**	0.5
Adjusted EBITDA	**119.6**	414.8

Financial Position

(in thousands of $)	As at March 31, 2024 $	As at December 31, 2023 $	As at March 31, 2023 $
Total assets	**37,814.3**	37,824.1	37,549.8
Total liabilities	**39,095.7**	38,166.9	34,199.0
Total non-current liabilities	**20,120,9**	18,099.4	3,386.4
Share capital	**60,593.0**	59,918.2	57,750.2
Contributed surplus	**7,177.7**	7,154.4	5,668.5
Share-based payment reserve	**3,948.7**	3,891.9	3,783.7
Warrant reserve	**1,186.7**	1,110,0	2,513.6
Accumulated other comprehensive loss	**(19.5)**	(19.5)	(19.5)
Accumulated deficit	**(74,167.9)**	(72,397.8)	(69,732.0)

Total Assets and Liabilities

Total assets decreased slightly to $37,814.3 as at March 31, 2024, compared to $37,824.1 as at December 31, 2023 primarily as a result of a decrease in accounts receivable.

Total liabilities have increased by $928.8 between December 31, 2023 and March 31, 2024, as a result of increases in accounts payable and accrued liabilities.

Summary of Quarterly Results

The following tables set out selected quarterly information for the last eight completed fiscal quarters of the Company:

(in thousands of $, except per share figures)	Q1 2024 $	Q4 2023 $	Q3 2023 $	Q2 2023 $
Net revenue	9,328.5	10,865.9	9,786.7	7,506.1
Comprehensive loss	(1,770.1)	(768.8)	(902.2)	(994.8)
Basic and diluted income (loss) per share	(0.01)	(0.00)	(0.00)	(0.01)
	Q1 2023 $	**Q4 2022 $**	**Q3 2022 $**	**Q2 2022 $**
Net revenue	9,412.1	9,306.8	8,090.8	8,126.5
Comprehensive loss	(2,252.4)	(2,790.6)	(2,565.5)	(2,501.8)
Basic and diluted income (loss) per share	(0.02)	(0.02)	(0.02)	(0.02)

In Q1 2024, the Company recorded $9,328.5 in net revenue representing a 14.1% decrease from the prior quarter and a 0.9% decrease from Q1 2023. The sale of edible products represented 89.7% of total revenues in Q1 2024. Operating expenses increased 2.1% from the prior quarter while they were flat as compared to Q1 2023.

In Q4 2023, the Company recorded $10,865.9 in net revenue representing an 11.0% increase from the prior quarter and a 16.8% increase from Q4 2022 as a result of higher sales of Pearls by Grön gummies and additional growth in sales of No Future branded products.

In Q3 2023, the Company recorded $9,786.7 in net revenue representing a 30.4% increase from the prior quarter and a 21% increase from Q3 2022 as a result of higher sales of Pearls by Grön gummies and the launch of No Future branded products.

In Q2 2023, the Company recorded $7,506.1 in net revenue representing a 20.3% decrease from the prior quarter and a 7.6% decrease from Q2 2022. The sale of edible products represented 91% of total revenues in Q2 2023. Operating expenses increased 0.2% from the prior quarter while they decreased 7.2% as compared to Q2 2022.

In Q1 2023 the Company recorded $9,412.1 in net revenue representing a 1.1% increase from the prior quarter and a 6.0% increase from Q1 2022. The sale of edible products represented 78% of total revenues in Q1 2023. Operating expenses decreased 16.7% from the prior quarter while they decreased 7.2% as compared to Q1 2022.

In Q4 2022 the Company recorded $9,306.8 in net revenue representing a 15.0% increase from the prior quarter and a 0.7% decrease from Q4 2021. The sale of edible products continued to be the main driver of sales representing 81% of total revenues in Q4 2022. Operating expenses increased 14.7% from the prior quarter while they decreased 4.5% as compared to Q4 2021.

In Q3 2022, the Company recorded $8,090.8 in net revenue representing a 0.4% decline from the prior quarter and a 5.5% increase in net revenue from Q3 2021. The sale of edible products continued to be the main driver of sales representing 90% of total revenues in Q3 2022. Operating expenses declined by 3% compared with Q2 2022 and increased by 12.4% from Q3 2021 as the Company continued to invest in sales and marketing as well as the development of new products.

In Q2 2022, the Company recorded $8,126.5 in net revenue representing a 9% decline from the prior quarter and a 10% decrease in net revenue from Q2 2021. The sale of edible products continued to be the main driver of sales representing 90% of total revenues in Q2 2022. Operating expenses remained consistent with Q1 2022 at $3,314.7 (Q2 2022 - $3,488.2), however were up $306.8 or 10% from Q3 2021 as the Company continued to invest in sales and marketing as well development of new products.

LIQUIDITY

The table below sets out the cash, short-term debt and working capital:

(in thousands of $)	**As at March 31, 2024 $**	**As at December 31, 2023 $**	**As at March 31, 2023 $**
Cash	**2,980.6**	2,225.8	2,824.2
Short-term debt	**(2,517.7)**	(2,459.0)	(19,108.3)
Working capital	**(5,641.1)**	(5,040.6)	(22,176.9)

On August 28, 2023 and subsequently on April 1, 2024, Indiva amended the terms of the SNDL Loan. The amended SNDL Loan extends the maturity date to February 24, 2026. See SNDL Strategic Investment for more information.

Cash

As at March 31, 2024, the Company had cash of $2,980.6 compared to $2,225.7 at December 31, 2023 and $2,824.2 as at March 31, 2023.

Summary of cash flows for the three months ended March 31, 2024 and 2023:

(in thousands of $)	For the three months ended March 31	
	2024	**2023**
	$	**$**
Cash flows provided by (used in) operating activities	**(378.2)**	460.5
Cash flows used in investing activities	**(155.8)**	(118.2)
Cash flows provided by (used in) financing activities	**690.3**	(303.8)
Cash, end of period	**2,980.6**	2,824.2

Cash from Operating Activities

Cash used in operations for the three months ended March 31, 2024, was $378.2 as compared to $460.5 provided by operations for the period ended March 31, 2023. Cash provided by operating activities decreased as a result of net changes in the working capital items for the three months ended March 31, 2023, as compared to the prior period.

Cash from Investing Activities

The Company used $155.8 (2023 - $118.2) in cash related to investing activities during the three months ended March 31, 2024 for the purchase of manufacturing and processing equipment to further automate production and packaging of the products.

Cash from Financing Activities

Financing activities provided the Company with $690.3 for the three months ended March 31, 2024 primarily related to the proceeds from a private placement offering pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 *Prospectus Exemptions* (the "LIFE Offering").

Going Concern

The Interim Financial Statements have been prepared on the basis of principles applicable to a going concern, which assumes the Company will continue to meet its obligations and discharge its liabilities for the foreseeable future. The Company has incurred losses in the current and prior periods, with a loss and comprehensive loss attributable to shareholders of $1,770.1 for the three months ended March 31, 2024 (three months ended March 31, 2023 – $2,252.4), an accumulated deficit of $74,167.9 as at March 31, 2024 (December 31, 2023 - $72,397.8) and negative working capital of $5,641.1 (December 31, 2023, - $5,040.6). These conditions, together with amounts payable under the loan agreement (see Interim Financial Statements note 11), indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. If for any reason the Company is unable to continue as a going concern, then this could have an impact on the Company's ability to realize assets at their recognized values and to extinguish liabilities in the normal course of business at the amounts stated in the Interim Financial Statements.

The Company expects it will need to raise additional financing in the form of debt and/or equity in order to fund continuing operations, Convertible Debenture repayments and capital expenditures. Even if the

Company has been successful in raising funds in the past, there is no assurance that it will manage to obtain financing in the future.

In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. If the going concern assumption was not appropriate for these Interim Financial Statements, then adjustments would likely be necessary to the carrying amounts of assets and liabilities, expenses, the accumulated deficit and the classification used in the condensed consolidated interim statements of financial position. These adjustments could be material.

CONTRACTUAL OBLIGATIONS

The Company had the following contractual obligations at March 31, 2024:

	$
Next 12 months	3,098.7
2 – 3 years	1,992.0
Total	**5,090.7**

Under the terms of the amended Bhang Agreement, Indiva has committed to spend an amount equal to at least five percent of net sales of the Bhang licensed products for advertising and promotion of the Bhang licenced products.

Under the terms of the Supply Agreement with SNDL, Indiva has committed to buy distillate at market prices from SNDL until the maturity date of the SNDL Loan.

SHARE CAPITAL

The Company's authorized share capital is comprised of an unlimited number of Common Shares. The table below outlines the number of Common Shares issued and outstanding and the number of Common Shares issuable on the exercise of issued and outstanding warrants and options as at May 23, 2024, March 31, 2024, December 31, 2023 and September 30, 2023. The table also reflects the number of Common Shares issuable on conversion of the Convertible Debentures.

	May 23, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Common Shares	195,488,563	195,488,563	186,428,563	186,244,983
Options	10,949,778	11,251,445	8,228,334	8,605,001
RSUs	3,645,836	3,645,836	-	425,000
Warrants	9,246,133	9,246,133	4,433,333	4,433,333
Convertible debentures	18,266,667	18,266,667	18,266,667	18,266,667

On February 28, 2024, the Company closed its first tranche of the LIFE Offering, pursuant to which the Company issued 9,060,000 units (each, a “Unit”) for aggregate gross proceeds of $906.0. Each Unit consists of one Common Share in the capital of the Company, and one-half Common Share purchase warrant (each a “Warrant”). Each Warrant is exercisable into one Common Share at a price of $0.15 per Common Share for a period of 36 months from the date of issuance.

TRANSACTIONS WITH RELATED PARTIES

There were no related party transactions in the three months ended March 31, 2024.

In the three months ended March 31, 2023, the Company settled interest payments totalling $15.8 in exchange for Common Shares in the Company. The fair value of the shares on issuance was $0.12 per share. The Convertible Debenture holders include certain related parties of the Company, including directors and officers of the Company. An aggregate of 131,246 Common Shares was issued to the creditors which included an aggregate of 118,747 Common Shares issued to related parties to settle interest owing.

RISKS AND UNCERTAINTIES

There are numerous and varied risks, known and unknown, that may prevent the Company from achieving its goals. For a detailed description of risk factors associated with the Company, refer to the "Risks and Uncertainties" section of the Annual MD&A, which is available on the Company's SEDAR+ profile. To the date hereof, there have been no significant changes to the risk factors set out in the Annual MD&A.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses and the related disclosures of contingent assets and liabilities. Significant estimates in the Interim Financial Statements relate to the Company's ability to continue as a going concern, classification of Convertible Debentures as a financial liability and equity, classification of the joint arrangement, expected credit losses, deferred income taxes, market interest rates, the fair value of options and warrants, estimated useful lives and depreciation of property, plant and equipment and intangible assets, net realizable value of inventory, value of biological assets and inventory, and variable consideration in revenue from contracts with customers. Actual results could differ from these estimates. Significant new estimates include the market interest of debt instruments.

NEW ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those followed in the preparation of the Company's annual financial statements for the years ended December 31, 2023 and 2022, except for the adoption of the applicable new standards effective as of January 1, 2024.

Indiva has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

SUBSEQUENT EVENTS

Reference is made to the disclosure set out in Note 11 of the Interim Financial Statements.

APPROVAL

The directors of Indiva have approved the disclosures contained in this MD&A.