Indiva reports results for the first quarter of 2019

/NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES/

LONDON, ON, May 31, 2019 /CNW/ - Indiva Limited (the "**Company**" or "**Indiva**") (TSXV: NDVA) (US: NDVAF) is pleased to report results for the first quarter ended March 31, 2019.

Q1 2019 financial results:

- For the first quarter ended March 31, 2019, Indiva reported gross revenue of $286,662 and $241,369 of net revenue, versus nil in Q1 2018 and revenue of $58,307 in Q4 2018 representing 313% sequential growth. Revenue was derived almost entirely from sales of cannabis flower to the Ontario Cannabis Store.
- Operating expenses for Q1 were $3.63 million versus $2.05 million in Q1 2018. The increase was attributable to one-time termination payments and the write off of retail deposits, as well as higher employee count and facility costs as operations and production grew.
- Inventory at quarter-end stood at $1.44 million versus $1.16 million at year end December 31st, 2018.
- Cash position at quarter-end stood at $8.16 million.

The following table sets forth select financial information for the three months ended March 31, 2019 and March 31, 2018. Indiva's financial statements are prepared in accordance with International Financial Reporting Standards. For further information regarding the Company's financial results for these periods, please refer to the Company's Management's Discussion and Analysis and the Company's Condensed Consolidated Interim Financial Statements for the periods ended March 31, 2019 and March 31, 2018 available at www.sedar.com and the Company's website www.indiva.com/investors.

Select Financial Information	Three months ended March 31,	
	2019	2018
	$	$
Net revenue	241,369	Nil
Operating expenses	2,633,499	2,054,053
Net loss	(3,628,481)	(2,016,688)
Total comprehensive loss	(3,628,481)	(2,044,187)
Net loss per common share	(0.04)	(0.03)
Weighted average common shares, basic and diluted	83,036,228	72,542,726

The following is a summary of key balance sheet items as at March 31, 2019, compared to December 31, 2018:

- Cash was $8.2 million as compared to $19.6 million;
- Total assets of $32.2 million as compared to $35.8 million;
- Current assets of $11.6 million as compared to $22.9 million; and
- Total liabilities of $6.3 million as compared to $6.5 million.

Indiva's achievements in Q1 2019, subsequent events and outlook:

- On February 8, 2019, Indiva announced the signing of a supply agreement with the Ontario Cannabis Store (OCS.ca) and began to deliver its first pre-roll SKUs later in the month. Indiva has since introduced a further strain and subject to Health Canada approval is preparing to deliver gel capsules to the OCS;
- On February 19, 2019, Indiva purchased the property and production facility in London, Ontario for $5.55 million;
- Indiva expects to continue to pursue further distribution agreements and is currently in discussion with additional provinces;
- Construction of all eight (8) additional flower rooms is complete and the Company is awaiting Health Canada approval for the first three (3) rooms while the video evidence package for the final five (5) will be submitted to Health Canada before the end of Q2;
- Equipment for Indiva's gel capsule and tincture processing line has been delivered, installed and commissioned. Indiva believes it is well positioned to deliver derivative products to the OCS as soon as licensing is received from Health Canada; and
- Construction continues to be on track at the London facility and substantial progress has been made in Q1. The 70-tonne extraction system, which management estimates will produce some 4 million grams of distillate annually, and processing areas are expected to be completed by late Q3 2019. Indiva expects to pursue wholesale relationships with LPs for extraction and processing services.

"We are very pleased to show the beginning of the revenue ramp and organic growth we expect for 2019 and beyond. We expect to deliver further SKUs to the OCS and sign agreements with additional provincial distributors in 2019. The market is eager for quality product and Indiva is ready to serve it," said Niel Marotta, President and CEO.

Record Date for Upcoming Shareholder Meeting

The Company would like to clarify that May 21, 2019 was the record date for determining shareholders of the Company entitled to receive notice of, and to vote at, the Company's annual and special shareholder meeting (the "Meeting") being held on June 25, 2019 in Toronto. The Company inadvertently advertised April 26, 2019 as the record date in its management information circular for the upcoming Meeting. Please refer to the Notice of Meeting and Record Date posted under the Company's SEDAR profile on April 26, 2019 for a complete list of important dates related to the Meeting.

About Indiva

Indiva is a Licensed Producer of medical grade cannabis. Our aim is to bring our family of global cannabis brands to Canadians and cannabis enthusiasts around the world. As marijuana laws liberalize globally, Indiva will expand its product offering to include safe edibles and other client-friendly cannabis products. In Canada, Indiva will produce and distribute Ruby Cannabis Sugar, Sapphire Salt, Ruby Gems, as well as award winning Bhang Chocolate and other derivative products through license agreements and joint-ventures respectively. In addition, as marijuana laws liberalize internationally, Indiva will use its Canadian operations as a platform to open new markets for its cannabis products.

DISCLAIMER & READER ADVISORY

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) has in any way passed upon the merits of the Transaction and neither of the foregoing entities accepts responsibility for the adequacy or accuracy of this release or has in any way approved or disapproved of the contents of this press release.

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the parties' current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to future product offerings, receipt of applicable regulatory approvals, entry into future supply agreements, completion of certain acquisitions, future operations, future entry into additional markets, changes to laws and regulations in Canada and internationally, and compliance with applicable regulations. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the parties. The material factors and assumptions include the parties being able to obtain the necessary regulatory and other third parties approvals and licensing and other risks associated with regulated entities in the cannabis industry. To the extent any forward-looking information in this press release constitutes future-oriented financial information or financial outlooks, within the meaning of securities laws, such information is being provided to demonstrate the potential of the Company and readers are cautioned that this information may not be appropriate for any other purpose. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are based on assumptions and subject to risks, uncertainties and other factors. Actual results may differ materially from what the Company currently expects. The forward looking information contained in this release is made as of the date hereof and the parties are not obligated to update or revise any forward looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities 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 state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. Not for distribution to U.S. Newswire Services or for dissemination in the United States. Any failure to comply with this restriction may constitute a violation of U.S. Securities laws.

SOURCE Indiva Limited

View original content to download multimedia: http://www.newswire.ca/en/releases/archive/May2019/31/c1568.html

%SEDAR: 00005711E

For further information: Niel Marotta, CEO, INDIVA, Phone: 613-883-8541, Email: niel@indiva.com; Steve Low, Investor Relations, Phone: 647-620-5101, Email: slow@indiva.com

CO: Indiva Limited

CNW 07:00e 31-MAY-19