

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Indiva Limited (“**Indiva**” or the “**Company**”)
333 Preston Street, Suite 710
Ottawa, Ontario
K1S 5N4

Item 2 Date of Material Change

October 5, 2021; and
October 12, 2021

Item 3 News Release

News releases were disseminated on September 22, 2021 and October 5, 2021, through the services of CISION (Canada News Wire) and filed on the Company’s SEDAR profile at www.sedar.com.

Item 4 Summary of Material Change

On October 5, 2021, the Company announced that it had: (i) amended its secured non-revolving term loan facility (the “**Amended Term Loan**”) with Sundial Growers Inc. (“**SNDL**”) in the principal amount of \$11,000,000 to provided an additional \$8,500,000 in available funds to Indiva, bringing the total principal amount of the Term Loan including accrued and deferred interest to \$19,751,905 (the “**Principal Amount**”); and (ii) entered into a settlement and termination agreement (the “**Termination Agreement**”) with Dycar Pharmaceuticals Ltd. (“**Dycar**”) whereby the parties have agreed to terminate and settle all matters between them in relation to the licensing and manufacturing agreement, as amended, entered into on February 18, 2020 (the “**Manufacturing Agreement**”).

On October 12, 2021, the Company completed an early exercise warrant incentive program (the “**Incentive Program**”), pursuant to which each eligible outstanding warrants of the Company (“**Warrant**”) that was exercised received one-half of one new common share purchase warrant (each whole warrant, an “**Incentive Warrant**”). Each Incentive Warrant entitles the holder thereof to purchase one common share of the Company at \$0.45 per common share for a period of five years from the date of issuance of the Incentive Warrant. Under the Incentive Program, the Company received aggregate gross proceeds of \$3,546,666.40 upon the exercise of 8,866,666 Warrants and issued 4,433,332 Incentive Warrants.

Item 5.1 Full Description of Material Change

Amended Term Loan and Termination Agreement

The Amended Term Loan matures on February 23, 2024 or upon an event of default (the “**Maturity Date**”) and bears an interest rate of 15% per annum. 100% of accrued interest is payable in cash and accrued on a monthly basis. Upon a change of control of Indiva or

the repayment by Indiva of all of its obligations under the Amended Term Loan, Indiva shall be required to have paid to Sundial a multiple on invested capital of 1.375 times the Principal Amount (the "**MOIC**"). No additional interest shall be payable such that the aggregate amount paid by Indiva to Sundial will not exceed the MOIC.

A portion of the Additional Funds was used to satisfy its obligations under the Termination Agreement. ATB Capital Markets Inc. ("**ATB**") acted as exclusive financial advisor to Indiva for the Amended Term Loan. In connection with the Amended Term Loan, Indiva has agreed to pay to ATB a cash commission equal to \$250,000.

The balance of the proceeds from the Additional Funds will be used for working capital and other general corporate purposes.

Termination Agreement

Under the terms of the Termination Agreement, Dycar has received total cash consideration of \$8,380,959, and the Manufacturing Agreement has been terminated. Dycar and Indiva have also agreed to enter into a mutual release of all existing and potential claims between them. Indiva will continue to provide Dycar with certain limited transitional services not to extend past January 31, 2022.

Incentive Program

The 17,184,996 Warrants eligible for the Incentive Program were issued in connection with a private placement offering of units, with each unit consisting of one common share in the capital of the Company and one Warrant (the "**Offering**"). The Offering was completed in two tranches occurring on June 25, 2020 and August 10, 2020. Under the terms of the Incentive Program, for each Warrant that is exercised on or before October 12, 2021 (the "**Early Exercise Period**"), the holder thereof will receive, at no additional cost, one-half of one newly issued Incentive Warrant, with each whole Incentive Warrant exercisable into one common share for a period of five (5) years from the issue date at an exercise price of \$0.45.

Under the Incentive Program, the Company received aggregate gross proceeds of \$3,546,666.40 upon the exercise of 8,866,666 Warrants and issued 4,433,332 Incentive Warrants. The Incentive Warrants are subject to a four-month and a day hold period from the date of issuance. No fractional Incentive Warrants were issued under the Incentive Program. The proceeds from the Incentive Program will be primarily used for working capital and other general corporate purposes. The Company does not anticipate any material effect on the Company's business and affairs as a result of the completion of the Incentive Program. The Incentive Program was approved by disinterested members of the board of directors of the Company.

Pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), the participation of John A. Marotta, a director of the Company constitutes a "related party transaction". The transaction is exempt from the formal valuation requirement pursuant to subsections 5.5(a) and (b) of MI 61-101, and from the minority approval requirement pursuant to subsection 5.7(1)(a) of MI 61-101. As this material change report was filed following the closing of the Incentive Program (and therefore less than 21 days before the closing of the Incentive Program), there is a requirement under MI 61-101 to explain why the shorter period is reasonable or

necessary in the circumstances. A material change report was not filed by the Company 21 days before the closing of the Incentive Program as the level of insider participation was not known at that time and the Incentive Program was only open for a 15 day period. In the view of the Company, this was reasonable in the circumstances.

Prior to the completion of the Incentive Program, John A. Marotta, together with its joint actor, Marotta Investments Limited (collectively, "**Marotta**"), owned and controlled an aggregate of 10,894,334 (7.75%) common shares on a partially-diluted basis, assuming the exercise of all of Marotta's vested stock options, convertible debentures and warrants. Following to the completion of the Incentive Program, Marotta, owned and controlled an aggregate of 11,494,334 (7.73%) common shares on a partially-diluted basis, assuming the exercise of all of Marotta's vested stock options, convertible debentures and warrants. (including the Incentive Warrants).

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not Applicable.

Item 7 Omitted Information

No significant facts remain confidential in, or no information has been omitted from, this report.

Item 8 Executive Officer

For more information, please contact Niel Marotta, Chief Executive Officer
Telephone: (613) 883-8541

Item 9 Date of Report

October 15, 2021