

INDIVA LIMITED

Condensed Consolidated Interim Financial Statements

(Unaudited, Expressed in Canadian dollars)

For the three and six months ended June 30, 2022 and 2021

Indiva Limited**Condensed Consolidated Interim Statements of Financial Position**

(Unaudited, Expressed in Canadian dollars, except per share amounts)

As at	Note	June 30, 2022	December 31, 2021 (Note 5)
		\$	\$
ASSETS			
Current assets			
Cash		2,513,017	2,480,335
Accounts receivable	6	3,953,847	5,870,468
Inventory	7	4,902,340	6,442,301
Prepaid expenses and deposits	8	481,271	650,011
Prepaid royalties	13	13,836	71,246
Assets held for sale	11	131,460	-
Total current assets		11,995,771	15,514,361
Other non-current assets			
Property, plant and equipment	9	21,616,154	22,396,477
Assets in process	10	132,134	59,863
Equipment deposits	9	1,065,091	726,711
Intangible assets	12	1,762,417	1,866,147
Prepaid royalties	13	1,928,605	1,877,704
Total assets		38,500,172	42,441,263
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		8,845,224	7,878,322
Deferred revenue		-	4,025
Other liabilities	15	168,109	156,780
Lease liability	16	149,320	150,457
Convertible debentures	17	2,767,431	701,158
Total current liabilities		11,930,084	8,890,742
Other non-current liabilities			
Other liabilities	15	716,689	731,393
Lease liability	16	491,805	564,068
Loan payable	14	18,627,219	18,327,529
Convertible debentures	17	-	1,898,412
Total liabilities		31,765,797	30,412,144
Equity			
Share capital	18	57,229,825	57,229,825
Contributed surplus		5,846,383	5,737,124
Reserves		5,801,116	5,629,233
Accumulated other comprehensive loss		(19,537)	(19,537)
Accumulated deficit		(62,123,412)	(56,547,526)
Total equity		6,734,375	12,029,119
Total liabilities and equity		38,500,172	42,441,263

Going Concern (Note 3), Commitments (Note 26), and Subsequent Events (Note 29)

N. Marotta

Carmine (Niel) Marotta

J. Yersh

James Yersh

Indiva Limited
Consolidated Statements of Loss and Comprehensive Loss

For the three and six months ended June 30, 2022 and 2021

(Unaudited, Expressed in Canadian dollars, except per share amounts)

	Note	Three months ended June 30		Six months ended June 30	
		2022	2021	2022	2021
			(Note 5)		(Note 5)
		\$	\$	\$	\$
Gross revenue		8,891,274	9,870,342	18,590,061	16,740,560
Excise taxes		(764,745)	(875,481)	(1,584,962)	(1,577,703)
Net revenue		8,126,529	8,994,861	17,005,099	15,162,857
Cost of goods sold	7	(5,435,769)	(5,978,479)	(11,685,921)	(11,006,230)
Write-down of inventory	7	(523,700)	(289,035)	(1,372,954)	(1,096,425)
Gross margin before fair value adjustments		2,167,060	2,727,347	3,946,224	3,060,202
Fair value adjustment on sale of inventory		-	(14,555)	-	(57,761)
Unrealized loss on changes in fair value of biological assets		-	(2,814)	-	(143,359)
Gross margin		2,167,060	2,709,978	3,946,224	2,859,082
Operating expenses					
General and administrative		1,359,663	1,675,036	2,807,848	2,800,532
Marketing and sales		1,625,421	1,091,019	3,356,101	1,960,954
Research and development		225,129	40,965	335,826	40,965
Share-based compensation	18(c)	176,660	162,094	288,047	273,257
Expected credit loss (recovery)	23(c)	(2,295)	5,918	(536)	18,357
Depreciation of property, plant and equipment	9	51,793	71,443	98,879	127,644
Amortization of intangible assets	12	51,865	51,983	103,729	103,965
Total operating expenses		3,488,236	3,098,458	6,989,894	5,325,674
Loss from operations		(1,321,176)	(388,480)	(3,043,670)	(2,466,592)
Other income (expenses)					
Foreign exchange gain (loss)		(20,706)	4,861	(34,593)	81,866
Finance costs	21	(1,161,766)	(653,367)	(2,298,807)	(1,299,990)
Interest income		5,550	1,357	6,859	1,832
Loss on issuance of shares		-	-	-	(20,130)
Provision for onerous contract		-	(700,959)	-	(1,102,756)
Impairment and loss on disposal of property, plant and equipment	11	(3,735)	(10,340)	(205,675)	(10,340)
Loss before income taxes		(2,501,833)	(1,746,928)	(5,575,886)	(4,816,110)
Deferred tax recovery		-	266,954	-	266,954
Net loss and comprehensive loss attributable to shareholders		(2,501,833)	(1,479,974)	(5,575,886)	(4,549,156)
Loss per share, basic and diluted	19	(0.02)	(0.01)	(0.04)	(0.03)
Weighted average number of outstanding shares, basic and diluted	19	146,150,202	135,995,619	146,150,202	128,219,249

Indiva Limited
Consolidated Statements of Changes in Equity

For the six months ended June 30, 2022 and 2021

(Unaudited, Expressed in Canadian dollars, except per share amounts)

	Note	Share capital		Contributed surplus	Reserves	Accumulated deficit	Accumulated other comprehensive loss	Total
		Shares	Amount					
		#	\$	\$	\$	\$	\$	\$
Balance, January 1, 2022	5	146,150,202	57,229,825	5,737,124	5,629,233	(56,547,526)	(19,537)	12,029,119
Share-based compensation	18(c)	-	-	109,259	171,883	-	-	281,142
Net loss for the period		-	-	-	-	(5,575,886)	-	(5,575,886)
Balance, June 30, 2022		146,150,202	57,229,825	5,846,383	5,801,116	(62,123,412)	(19,537)	6,734,375

	Note	Share capital		Contributed surplus	Reserves	Accumulated deficit	Accumulated other comprehensive loss	Total
		Shares	Amount					
		#	\$	\$	\$	\$	\$	\$
Balance, January 1, 2021	5	109,555,952	42,415,786	4,723,080	5,337,081	(41,330,865)	(19,537)	11,125,545
Share based compensation		-	-	97,222	217,648	-	-	314,870
Issuance of shares		25,000,000	12,115,390	-	-	-	-	12,115,390
Share issuance costs		-	(594,972)	-	-	-	-	(594,972)
Shares issued in lieu of interest		183,000	65,880	-	-	-	-	65,880
Warrants exercised		95,000	51,095	-	(13,095)	-	-	38,000
Broker warrants exercised		486,667	229,220	-	(83,220)	-	-	146,000
Expired Warrants		-	-	99,509	(99,509)	-	-	-
Conversion of convertible debentures		675,000	147,348	-	(41,621)	-	-	105,727
Net loss for the period		-	-	-	-	(4,549,156)	-	(4,549,156)
Balance, June 30, 2021		135,995,619	54,429,747	4,919,811	5,317,284	(45,880,021)	(19,537)	18,767,284

Indiva Limited**Condensed Consolidated Interim Statements of Cash Flows**

For the six months ended June 30, 2022 and 2021

(Unaudited, Expressed in Canadian dollars, except per share amounts)

	<i>Note</i>	2022	2021 (Note 5)
		\$	\$
OPERATING ACTIVITIES			
Net loss for the period		(5,575,886)	(4,549,156)
Adjustments for:			
Deferred tax recovery		-	(266,954)
Unrealized gain on changes in fair value of biological assets		-	143,359
Realized fair value adjustments on inventory sold		-	57,761
Write-off of inventory to net realizable value	7	1,372,954	1,096,425
Depreciation and amortization	9, 12	202,608	231,609
Impairment and loss on disposal of property, plant and equipment	11	205,675	10,340
Interest, accretion of discounts and deferred transaction costs		577,717	809,215
Share-based compensation	18	281,142	314,870
Shares issued to settle account payable and interest on convertible debenture		-	65,880
Provision for onerous contract			1,102,756
Interest income		(6,859)	(1,832)
Changes in working capital items	20	3,686,497	(5,758,678)
Cash provided by (used in) operating activities		743,848	(6,744,405)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9	(79,108)	(291,538)
Purchase of assets in process	10	(193,819)	(560,842)
Building, equipment and construction deposits	9	(338,380)	-
Proceeds on disposal of assets held for sale	11	885	-
Interest income		6,859	1,832
Cash used in investing activities		(603,563)	(850,548)
FINANCING ACTIVITIES			
Proceeds from issuance of equity units, net of costs		-	11,787,372
Proceeds from exercise of warrants		-	184,000
Payment of principal portion of lease liabilities	16	(107,603)	(104,405)
Proceeds from loan payable, net of transaction costs		-	8,881,183
Repayment of loan payable		-	(4,892,864)
Repayment of promissory note		-	(1,614,438)
Advances on factoring payable		-	3,659,415
Repayments on factoring payable		-	(7,234,881)
Cash provided by (used in) financing activities		(107,603)	10,665,382
Change in cash		32,682	3,070,429
Cash, beginning of the period		2,480,335	314,042
Cash, end of the period		2,513,017	3,384,471

Indiva Limited

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2022 and 2021

(Unaudited, Expressed in Canadian dollars, except per share amounts)

1. CORPORATE INFORMATION

Indiva Limited (the “Company”) is governed by the Laws of Ontario. The Company’s common shares are listed on the TSX Venture Exchange (the “TSXV”) under the symbol “NDVA” and the OTCQX under the symbol “NDVAF”.

Its wholly owned subsidiary, Indiva Inc. is a licensed producer of marijuana under the *Cannabis Act* and Cannabis Regulations (formerly Health Canada’s *Access to Cannabis for Medical Purposes Regulations* “ACMPR”), in London, Ontario, focused on manufacturing derivative products and the cultivation of cannabis. The Company received the sales amendment to its licence on August 10, 2018 and its extracts, edibles and topicals amendment on January 31, 2020.

The address of the Company’s corporate office is 333 Preston Street, Suite 710, Ottawa, Ontario, K1S 5N4.

2. BASIS OF PRESENTATION

(a) STATEMENT OF COMPLIANCE

These unaudited condensed consolidated interim financial statements (the “Interim Financial Statements”) have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

These Interim Financial Statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2021 (the “2021 Annual Financial Statements”), which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

All figures presented in these Interim Financial Statements are reflected in Canadian dollars, which is also the functional currency of the Company and its subsidiaries. The Interim Financial Statements have been prepared using accounting policies consistent with those described in the 2021 Annual Financial Statements.

These Interim Financial Statements were approved and authorized for issue by the Board of Directors on August 16, 2022.

(b) BASIS OF MEASUREMENT

These Interim Financial Statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value and biological assets, which are measured at fair value less cost to sell and are presented in Canadian dollars.

The preparation of these Interim Financial Statements in accordance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. In preparing these Interim Financial Statements, the significant judgements made by management in applying the group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31, 2021.

Indiva Limited**Notes to Condensed Consolidated Interim Financial Statements**

For the three and six months ended June 30, 2022 and 2021

(Unaudited, Expressed in Canadian dollars, except per share amounts)

(c) COVID-19 ESTIMATION UNCERTAINTY

As at June 30, 2022, the Company has determined that no significant revisions to estimates, judgements or assumptions were required related to the COVID-19 pandemic, however, the continued uncertainty associated with the COVID-19 pandemic may require changes in future periods. The Company will continue to closely monitor the impact of the COVID-19 pandemic, including any such changes to estimates, judgements or assumptions that could have a material impact on the Company's Interim Financial Statements.

3. GOING CONCERN

These 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 \$2,501,833 and \$5,575,886 for the three and six months ended June 30, 2022 respectively (three and six months ended June 30, 2021 – \$1,479,974 and \$4,549,156) and an accumulated deficit of \$62,123,412 as at June 30, 2022 (December 31, 2021 - \$56,547,526). These conditions 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, loan payable and 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 statement of financial position. These adjustments could be material.

Indiva Limited**Notes to Condensed Consolidated Interim Financial Statements**

For the three and six months ended June 30, 2022 and 2021

(Unaudited, Expressed in Canadian dollars, except per share amounts)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS

The accounting policies followed in these Interim Financial Statements are the same as those applied in the Company's audited consolidated financial statements for the year ended December 31, 2021, except as noted below.

Amendments to IFRS 9: Financial Instruments

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The adoption of this amendment did not have an impact on the Interim Financial Statements as there were no new or modified financial liabilities during the three and six months ended June 30, 2022.

Amendments to IAS 37: Onerous Contracts and the Cost of Fulfilling a Contract

The amendment specifies that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. Entities apply the amendments to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. The amendment is effective for annual periods beginning on or after January 1, 2022 with early application permitted. The adoption of this amendment did not have an impact on the Interim Financial Statements as there were no onerous contracts at January 1, 2022, or during the three and six months ended June 30, 2022.

Amendments to IAS 8: Definition of Accounting Estimates

In February 2021, IASB issued amendments to IAS 8 to replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty." The amendment provides clarification to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Company is assessing the impact of adopting these amendments on its consolidated financial statements.

Indiva Limited**Notes to Condensed Consolidated Interim Financial Statements**

For the three and six months ended June 30, 2022 and 2021

(Unaudited, Expressed in Canadian dollars, except per share amounts)

Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, IASB issued amendments to IAS 12 to narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offset temporary differences. As a result, companies will need to recognize a deferred tax asset and deferred tax liability for temporary differences arising on initial recognition of transactions such as leases and decommissioning obligations. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. The Company is assessing the impact of adopting these amendments on its consolidated financial statements.

5. CORRECTION OF PRIOR PERIOD FINANCIAL STATEMENTS

The Company identified an error in the calculation of excise taxes related to additional duties charged by certain provinces and determined an adjustment is required to excise taxes payable on sales for the period of January 1, 2020 to March 31, 2022. As a result, prior period amounts on the consolidated statements of loss and comprehensive loss with respect to excise taxes, cost of sales, and marketing and sales were adjusted to reflect the correct excise tax payable on sales in those periods.

	For the three months ended June 30, 2021, as originally reported	Correction	For the three months ended June 30, 2021 (corrected)
	\$	\$	\$
Excise taxes	793,444	82,037	875,481
Cost of goods sold	5,994,374	(15,895)	5,978,479
Marketing and sales	1,093,233	(2,214)	1,091,019
Net loss and comprehensive loss attributable to shareholders	1,416,046	63,928	1,479,974

	For the six months ended June 30, 2021, as originally reported	Correction	For the six months ended June 30, 2021 (corrected)
	\$	\$	\$
Excise taxes	1,442,579	135,124	1,577,703
Cost of goods sold	11,032,308	(26,078)	11,006,230
Marketing and sales	1,965,683	(4,729)	1,960,954
Net loss and comprehensive loss attributable to shareholders	4,444,839	104,317	4,549,156

Indiva Limited**Notes to Condensed Consolidated Interim Financial Statements**

For the three and six months ended June 30, 2022 and 2021

(Unaudited, Expressed in Canadian dollars, except per share amounts)

Accounts payable and accrued liabilities, which include excise taxes payable, and accumulated deficit on the condensed consolidated interim statements of financial position have been corrected as follows:

	As at December 31, 2021, as originally reported \$	Correction \$	As at December 31, 2021 (corrected) \$
Accounts payable and accrued liabilities	7,576,842	301,480	7,878,322
Accumulated deficit	(56,246,046)	(301,480)	(56,547,526)

	As at December 31, 2020, as originally reported \$	Correction \$	As at December 31, 2020 (corrected) \$
Accounts payable and accrued liabilities	8,489,567	94,053	8,583,620
Accumulated deficit	(41,236,812)	(94,053)	(41,330,865)

Management assessed the materiality of the correction described above on prior period consolidated financial statements and concluded that these corrections were not material to any prior annual or interim periods. Accordingly, amounts related to the three and six months ended June 30, 2021, and as at December 31, 2021, which are presented in these Interim Financial Statements have been re-presented but without restatement of the prior period financial statements.

In addition to the above correction, certain comparative amounts within the condensed interim consolidated statement of financial position have been re-classified as a result of a change in presentation during the year for accounts payable and accrued liabilities. These changes did not affect total assets nor total liabilities.

In addition to the above correction, comparative amounts within the condensed interim consolidated statement of financial position have been re-classified as a result of a change in presentation, specifically that income taxes receivable have been included with accounts receivable and income taxes payable have been included within accounts payable and accrued liabilities. This did not affect any subtotals on the condensed interim consolidated statement of financial position.

6. ACCOUNTS RECEIVABLE

Accounts receivable as at June 30, 2022 consisted of trade receivables totaling \$3,848,366 (December 31, 2021 - \$5,519,988) and taxes receivable totaling \$105,481 (December 31, 2021 - \$350,480).

Accounts receivable are presented net of expected credit losses totaling \$15,237 as at June 30, 2022 (December 31, 2021 - \$15,773).

Indiva Limited**Notes to Condensed Consolidated Interim Financial Statements**

For the three and six months ended June 30, 2022 and 2021

(Unaudited, Expressed in Canadian dollars, except per share amounts)

7. INVENTORY

Inventory as at June 30, 2022 and December 31, 2021, consisted of the following:

	June 30, 2022	December 31, 2021
	\$	\$
<i>Dried cannabis</i>		
Finished goods	331,198	358,730
Work-in-process	106,780	1,418,753
<i>Cannabis extracts</i>		
Finished goods	2,434,252	1,230,120
Work-in-process	425,819	1,811,246
<i>Processing services</i>		
Finished goods	-	14,605
Work-in-process	-	310
Harvested cannabis trim	632	19,899
Packaging, supplies and other inventory	1,603,659	1,588,638
Total inventory	4,902,340	6,442,301

Inventory expensed to cost of goods sold during the three and six months ended June 30, 2022, was \$3,539,337 and \$7,538,474 (three and six months ended June 30, 2021 - \$4,062,376 and \$7,846,513). Cost of goods sold for the three and six months ended June 30, 2022, also includes royalties, license fees, shipping, and other costs totalling \$1,896,432 and \$4,147,447 respectively (three and six months ended June 30, 2021 - \$1,916,103 and \$3,159,717). In the three and six months ended June 30, 2022, the Company recorded inventory write-offs totalling \$523,700 and \$1,372,954 (three and six months ended June 30, 2021 - \$1,931,998 and \$3,185,795). The inventory write-offs for the three and six months ended June 30, 2022, includes provisions for aged inventory and write-downs of dry flower purchased in prior periods at a cost that exceeded its realizable value totaling \$523,700 and \$1,249,215, and amounts related to packaging for contract manufacturing that ended during the period totaling \$nil and \$123,739.

8. PREPAID EXPENSES AND DEPOSITS

	June 30, 2022	December 31, 2021
	\$	\$
Rent, security and utility deposits	9,052	9,053
Government of Canada surety bond	303,000	303,000
Other prepayments	169,219	337,958
Total prepaid expenses and deposits	481,271	650,011

Other prepayments are primarily composed of prepayments for raw materials, promotional materials, and packaging inventory.

Indiva Limited
Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2022 and 2021

(Unaudited, Expressed in Canadian dollars, except per share amounts)

9. PROPERTY, PLANT AND EQUIPMENT

	Land \$	Building and building improvements \$	Leasehold improvements \$	Facility equipment \$	Vehicle \$	Office equipment & furniture \$	Right-of- use Assets \$	Totals \$
Cost								
Balance, January 1, 2021	252,275	18,336,289	61,446	4,476,609	74,665	462,217	1,522,795	25,186,296
Additions	-	83,033	44,552	397,981	-	89,161	8,933	623,660
Disposals	-	-	(2,432)	(23,760)	(3,358)	(29,252)	-	(58,802)
Lease buy-out	-	-	-	207,520	-	-	(524,765)	(317,245)
Transfer between categories	-	37,500	(37,500)	-	-	-	-	-
Transferred from assets in process	-	320,880	-	285,048	-	-	-	605,928
Balance, December 31, 2021	252,275	18,777,702	66,066	5,343,398	71,307	522,126	1,006,963	26,039,838
Additions	-	10,169	-	89,808	-	3,264	-	103,241
Transfers to assets held for sale	-	(16,689)	-	(415,758)	-	-	-	(432,447)
Transferred from assets in process	-	-	-	78,910	-	-	-	78,910
Balance, June 30, 2022	252,275	18,771,182	66,066	5,096,358	71,307	525,391	1,006,963	25,789,542
Accumulated depreciation								
Balance, January 1, 2021	-	971,671	1,184	940,413	29,420	261,663	301,936	2,506,287
Depreciation for the period	-	495,116	3,817	539,127	9,357	79,856	375,508	1,502,781
Transfer between building improvements and facility equipment	-	(2,319)	2,319	-	-	-	-	-
Lease buy-out	-	-	-	-	-	-	(317,245)	(317,245)
Disposals	-	-	(2,432)	(14,873)	(2,142)	(29,015)	-	(48,462)
Balance, December 31, 2021	-	1,464,468	4,888	1,464,667	36,635	312,504	360,199	3,643,361
Transfers to assets held for sale	-	(1,158)	-	(135,904)	-	-	-	(137,065)
Depreciation for the period	-	250,591	3,022	282,377	4,459	46,759	79,888	667,095
Balance, June 30, 2022	-	1,713,900	7,910	1,611,140	41,094	359,263	440,087	4,173,391
Carrying amounts as at:								
December 31, 2021	252,275	17,313,234	61,178	3,878,731	34,672	209,623	646,764	22,396,477
June 30, 2022	252,275	17,057,288	58,156	3,485,218	30,213	166,128	566,876	21,616,154

Indiva Limited**Notes to the Condensed Consolidated Interim Financial Statements**

For the three and six months ended June 30, 2022 and 2021

(Unaudited, Expressed in Canadian dollars, except per share amounts)

As at June 30, 2022, \$74,256 of the cost of the Company's additions were included in accounts payable and accrued liabilities (December 31, 2021 - \$50,123). In the three and six months ended June 30, 2022, equipment deposits totalling \$nil have been applied towards the cost of additions to property, plant and equipment (December 31, 2021 - \$220,355) and the Company has made further deposits totalling \$338,380 towards future purchases (December 31, 2021 - \$222,268).

Total depreciation expense for the three and six months ended June 30, 2022, was \$328,788 and \$667,095 (three and six months ended June 30, 2021 - \$390,302 and \$788,631), of which \$276,994 and 568,216 has been capitalized in the production of inventory (three and six months ended June 30, 2021 - \$ \$318,859 and \$660,987).

10. ASSETS IN PROCESS

	Building and building improvements	Facility equipment	Office equipment and furniture	Total
	\$	\$	\$	\$
Balance, January 1, 2021	-	13,205	-	13,205
Additions	327,556	325,576	3,375	656,507
Write-off	-	(3,921)	-	(3,921)
Transferred to property, plant and equipment	(320,880)	(285,048)	-	(605,928)
Balance, December 31, 2021	6,676	49,812	3,375	59,863
Additions	-	193,820	-	193,820
Disposals	-	-	(3,375)	(3,375)
Transfers to held for sale	-	(39,263)	-	(39,263)
Transferred to property, plant and equipment	-	(78,910)	-	(78,910)
Balance, June 30, 2022	6,676	125,458	-	132,134

11. ASSETS HELD FOR SALE

In the six months ended June 30, 2022, the Company committed to a plan to sell certain facility equipment related to cannabis cultivation as a result of the Company's transition away from growing cannabis. Accordingly, these items of property, plant and equipment are presented as assets held for sale on the condensed consolidated interim statements of financial position. Impairment losses totaling \$201,940 have been recorded to reduce the carrying amount of the assets to management's estimate of their fair value less costs to sell. In the six months ended June 30, 2022, an asset held for sale with a carrying value of \$1,245 was sold for proceeds of \$885.

Indiva Limited**Notes to the Condensed Consolidated Interim Financial Statements**

For the three and six months ended June 30, 2022 and 2021

(Unaudited, Expressed in Canadian dollars, except per share amounts)

12. INTANGIBLE ASSETS

	Genetics	Bhang License	Total
Cost	\$	\$	\$
Balance, January 1, 2021	9,375	2,169,688	2,179,063
Disposals	(9,375)	-	(9,375)
Balance, December 31, 2021, and June 30, 2022	-	2,169,688	2,169,688
Accumulated amortization			
Balance, January 1, 2021	814	96,079	96,893
Amortization for the year	469	207,462	207,931
Disposals	(1,283)	-	(1,283)
Balance, December 31, 2021	-	303,541	303,541
Amortization for the period	-	103,729	103,729
Balance, June 30, 2022	-	407,269	407,269
Carrying amounts as at:			
December 31, 2021	-	1,866,147	1,866,147
June 30, 2022	-	1,762,417	1,762,417

13. PREPAID ROYALTIES

On June 11, 2018, the Company prepaid \$1,948,950 (USD\$1,500,000) to DeepCell Industries ("DeepCell") for future royalty fees for sales of DeepCell branded products, which are edible cannabis derivatives. This agreement has a term of five years with a right to renew at the Company's option for additional five-year terms. The prepaid royalties have been expensed on a per unit basis as the Company produces and sells DeepCell licensed products.

During the three and six months ended June 30, 2022, the Company recorded royalty expenses totalling \$2,981 and \$6,509 related to the sale of DeepCell products (three and six months ended June 30, 2021 - \$nil).

Indiva Limited**Notes to the Condensed Consolidated Interim Financial Statements**

For the three and six months ended June 30, 2022 and 2021

(Unaudited, Expressed in Canadian dollars, except per share amounts)

14. LOAN PAYABLE

The following is a continuity of the loan payable:

	\$
Sundial Loan at fair value on issuance, February 23, 2021	9,177,656
Additional proceeds on amendment	8,500,000
Loss on loan modification	510,110
Transaction costs	(688,398)
Interest charged on Sundial Loan	1,323,388
Payment of interest on Sundial Loan	(1,071,482)
Accretion of discount and deferred transaction costs	576,255
Loan payable, December 31, 2021	18,327,529
Accretion of discount and deferred transaction costs	299,690
Interest charged on Sundial Loan	1,469,217
Payment of interest on Sundial Loan	(1,469,217)
Loan payable, June 30, 2022	18,627,219

As at June 30, 2022, the Company was in compliance with all applicable covenants.

15. OTHER LIABILITIES

	June 30, 2022			December 31, 2021		
	Current	Long-term	Total	Current	Long-term	Total
	\$	\$	\$	\$	\$	\$
Minimum royalties	168,109	716,689	884,798	156,780	731,393	888,173
Balance	168,109	716,689	884,798	156,780	731,393	888,173

The present value of minimum royalty payments required under terms of the Bhang license agreement at initial recognition was \$813,789. During the three and six months ended June 30, 2022, interest accretion of \$45,519 and \$91,124 was recorded to finance costs in the condensed consolidated interim statements of loss and comprehensive loss (three and six months ended June 30, 2021 - \$52,821 and 102,851).

Indiva Limited**Notes to the Condensed Consolidated Interim Financial Statements**

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(Unaudited, Expressed in Canadian dollars, except per share amounts)

16. LEASE LIABILITY

	Office space	Office equipment	Facility equipment	Total
	\$	\$	\$	\$
Balance, January 1, 2021	811,163	8,308	541,984	1,361,455
Additions	-	-	8,933	8,933
Lease payments	(201,544)	(2,374)	(5,410)	(209,328)
Lease buy-out	-	-	(524,765)	(524,765)
Interest expense	77,636	510	84	78,230
Balance, December 31, 2021	687,255	6,444	20,826	714,525
Lease payments	(102,219)	(1,187)	(4,197)	(107,603)
Interest expense	33,739	205	259	34,203
Balance, June 30, 2022	618,775	5,462	16,888	641,125
Current, December 31, 2021	140,640	2,000	7,817	150,457
Non-current, December 31, 2021	546,619	4,444	13,006	564,069
Current, June 30, 2022	135,237	2,091	11,992	149,320
Non-current, June 30, 2022	483,538	3,371	4,896	491,805

During the three and six months ended June 30, 2022, the Company recognized \$12,635 and \$34,878 in variable lease payments included in general and administrative expenses on the condensed consolidated interim statements of loss and comprehensive loss (three and six months ended June 30, 2021 - \$42,593 and \$74,117).

At June 30, 2022, the Company's undiscounted amount of future minimum lease payments are as follows:

	< 1 Year	2 to 3 Years	4 – 5 Years	Total
	\$	\$	\$	\$
Office and warehouse space	(195,620)	(360,733)	(191,577)	(747,930)
Facility equipment	(8,297)	(9,229)	-	(17,526)
Office equipment	(2,374)	(3,561)	-	(5,935)
Minimum lease payments	(206,292)	(373,523)	(191,577)	(771,391)
Financing charges	56,971	61,837	11,458	130,266
Total lease liabilities	(149,320)	(311,686)	(180,119)	(641,125)

Indiva Limited**Notes to the Condensed Consolidated Interim Financial Statements**

For the three and six months ended June 30, 2022 and 2021

(Unaudited, Expressed in Canadian dollars, except per share amounts)

17. CONVERTIBLE DEBENTURES

Convertible debentures consist of the following:

	Debt	Equity	Total
	\$	\$	\$
Balance, January 1, 2021	2,442,153	910,228	3,352,381
Accretion interest on debenture discount	277,054	-	277,054
Accretion of transaction costs	11,384	-	11,384
Conversion to common shares	(131,021)	(44,711)	(175,732)
Balance, December 31, 2021	2,599,570	865,517	3,465,087
Accretion interest on debenture discount	162,171	-	162,171
Accretion of transaction costs	5,690	-	5,690
Balance, June 30, 2022	2,767,431	865,517	3,632,948

A reconciliation of interest and accretion expense on the convertible debentures in the six months ended June 30, 2022, and 2021, is as follows:

	2022	2021
	\$	\$
Accretion interest on debenture discount	162,171	64,966
Interest expense in the period	149,500	75,498
Total interest and accretion on convertible debentures expensed	311,671	140,464
Interest expense payable, opening balance	-	153,868
Interest expense in the period	149,500	75,498
Interest expense paid in shares	-	(45,750)
Interest expense paid in cash	(143,750)	(108,118)
Interest expense included in accounts payable and accrued liabilities	5,750	75,498

Indiva Limited**Notes to the Condensed Consolidated Interim Financial Statements**

For the three and six months ended June 30, 2022 and 2021

(Unaudited, Expressed in Canadian dollars, except per share amounts)

18. SHARE CAPITAL**(a) CAPITAL STOCK**

Authorized capital stock consists of an unlimited number of common shares, without par value.

As at June 30, 2022, a total 146,150,202 (December 31, 2021 – 146,150,202) common shares were issued and outstanding. No special shares have been issued or are outstanding.

(b) WARRANTS, FINDERS' UNITS AND FINDERS' WARRANTS

	Warrants outstanding	Weighted average exercise price
	#	\$
Outstanding, December 31, 2020	18,240,440	0.41
Issued	4,433,333	0.45
Expired	(383,169)	(0.95)
Exercised	(9,448,333)	(0.39)
Outstanding, December 31, 2021	12,842,271	0.42
Expired	(29,942)	0.54
Outstanding, June 30, 2022	12,812,329	0.42

All warrants outstanding as at June 30, 2022 are exercisable.

The following warrants remain outstanding as at June 30, 2022:

Warrant description	# of warrants	Expiry date	Exercise price
	#		\$
Warrants issued on June 25, 2020 equity offering	1,608,333	6/25/2023	0.40
Warrants issued on August 10, 2020 equity offering	6,694,997	8/10/2023	0.40
Warrants issued to brokers on August 10, 2020 equity offering	75,666	8/10/2023	0.30
Incentive warrants	4,433,333	9/30/2026	0.45
Total warrants and weighted average exercise price	12,812,329		0.42

As at June 30, 2022, the warrants outstanding have a weighted average remaining life of 2.18 years.

Indiva Limited**Notes to the Condensed Consolidated Interim Financial Statements**

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(Unaudited, Expressed in Canadian dollars, except per share amounts)

(c) SHARE-BASED COMPENSATION

The equity compensation plans that the Company has in place relate to grants issued to officers, directors, employees and consultants, and were approved by the Board of Directors in 2017. The plan was amended June 24, 2021, as an Omnibus Incentive Plan ("Omnibus Plan"), which also allows for the issuance of RSUs and was further restated on June 23, 2022.

During the three and six months ended June 30, 2022, the Company recognized share-based compensation expense of \$241,864 and \$372,424 (three and six months ended June 30, 2021 - \$174,479 and \$314,870) related to stock options and RSUs included in operating expenses in the condensed consolidated statements of loss and comprehensive loss. Share-based compensation for the three and six months ended June 30, 2022, totalling \$65,204 and \$84,377 (three and six months ended June 30, 2021 - \$12,305 and \$41,613) related to options issued to production employees is included in the cost of inventory.

The maximum number of common shares reserved for issuance under all share-based compensation arrangements of the Company may not exceed 10% of the Company's outstanding common shares. As at June 30, 2022, based on the Company's total common shares outstanding, a total of 14,615,020 (December 31, 2021 – 14,615,020) stock options and RSUs may be issued and outstanding. Based on this, the Company could grant up to 793,968 (December 31, 2021 – 4,671,686) additional stock options or RSUs beyond what was issued and outstanding as at June 30, 2022. TSXV approval is required to reserve the related common shares for issuance. A maximum of 4,800,000 RSUs may be issued under the plan.

(i) RESTRICTED SHARE UNITS

On February 1, 2022, the Company granted 2,260,497 RSUs to officers, and employees of the Company. The units vest one year from the grant date. The fair value of the shares on the grant date totalled \$678,149 or \$0.30 per RSU, and the expense is recognized in share-based compensation over the vesting period. There were 1,460,499 RSUs issued to officers and employees of the Company that are accounted for as cash settled. There were 799,998 RSUs issued to directors of the Company that are accounted for as equity settled.

On May 18, 2022, the Company granted 222,222 RSUs to consultants of the Company. The RSUs vest one year from the grant date and each RSU entitles the holder to one common share upon vesting. The fair value of the shares on the grant date totalled \$55,555 or \$0.25 per RSU, and the expense is recognized in share-based compensation over the vesting period. These RSUs are accounted for as equity settled. In the three and six months ending June 30, 2022, the Company has recorded share-based compensation expense related to the equity settled RSUs totalling \$69,259 and \$109,259.

In the three and six months ending June 30, 2022, the Company has recorded share-based compensation expense related to the cash settled RSUs totalling \$69,374 and \$91,281. The Company has recorded a liability related to the outstanding cash settled RSUs at June 30, 2022, totalling \$91,281 in accounts payable and accrued liabilities in the condensed consolidated statements of financial position.

Indiva Limited**Notes to the Condensed Consolidated Interim Financial Statements**

For the three and six months ended June 30, 2022 and 2021

(Unaudited, Expressed in Canadian dollars, except per share amounts)

The following table summarizes the movement in outstanding RSUs:

	Equity settled	Cash settled	Total
Outstanding, December 31, 2020	-	-	-
Granted	555,555	680,557	1,236,112
Redeemed (including cash payments)	(555,555)	(680,557)	(1,236,112)
Outstanding, December 31, 2021	-	-	-
Granted	1,022,220	1,460,499	2,482,719
Outstanding, June 30, 2022	1,022,220	1,460,499	2,482,719

(II) STOCK OPTIONS

Unless otherwise determined by the Board, options issued under the plan vest over a three-year period, except for options granted to consultants or persons employed in Investor Relations Activities (as defined in the policies of the exchange).

Stock option activity for the equity compensation plan was as follows:

	Number of options #	Weighted average exercise price \$
Outstanding, December 31, 2020	7,536,667	0.56
Granted	4,170,000	0.34
Exercised	(200,000)	0.42
Forfeited	(1,563,333)	0.47
Outstanding, December 31, 2021	9,943,334	0.49
Granted	1,680,000	0.21
Forfeited	(285,001)	0.50
Outstanding, June 30, 2022	11,338,333	0.44

Indiva Limited**Notes to the Condensed Consolidated Interim Financial Statements**

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The grant date fair value is calculated using the Black-Scholes pricing model and the inputs below. Expected volatility is based on the average volatility of the Company. The exercise price used in the pricing model is that of the respective option granted.

The following table presents information related to stock options at June 30, 2022:

Weighted average exercise price	Number of options	Exercisable	Weighted average remaining life (years)
\$0.21	1,650,000	-	4.93
\$0.27	2,090,000	100,000	4.28
\$0.30	572,500	249,168	3.17
\$0.40	3,794,833	2,503,814	3.42
\$0.45	200,000	200,000	1.57
\$0.59	150,000	100,000	3.66
\$0.75	2,161,000	2,161,000	0.62
\$0.80	580,000	579,998	1.48
\$0.87	140,000	140,000	0.65
\$0.48	11,338,333	6,033,980	2.86

	Six months ended June 30, 2022	Six months ended June 30, 2021
Share price	\$0.21	\$0.38 - \$0.59
Expected dividend yield	\$nil	\$nil
Volatility	144.98%	84.27% - 93.49%
Expected life (years)	3 to 4	0.5 to 4
Forfeiture rate	37%	33%
Risk-free rate	2.96%	0.17% - 0.33%

19. LOSS PER SHARE

The following table represents the number of shares to be issued on the exercise of the stock options, warrants and convertible debentures outstanding. The effect of this on diluted loss per share is anti-dilutive and accordingly, diluted loss per share is the same as basic loss per share:

	June 30, 2022	June 30, 2021
Stock options	11,338,333	8,808,333
RSUs	2,482,719	1,236,112
Warrants	12,812,238	17,387,023
Convertible debentures	13,450,000	13,600,000

Indiva Limited**Notes to the Condensed Consolidated Interim Financial Statements**

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(Unaudited, Expressed in Canadian dollars, except per share amounts)

20. SUPPLEMENTAL CASH FLOWS

Changes in working capital items for the six months ended June 30, 2022, and 2021 are comprised of the following:

	2022	2021
	\$	\$
Taxes receivable	244,998	34,851
Accounts receivable	1,671,622	(1,952,936)
Biological assets	-	49,451
Inventory	735,225	(735,808)
Prepaid expenses and deposits	168,739	190,810
Other current assets	-	(479,275)
Prepaid royalties	6,509	-
Accounts payable and accrued liabilities	937,015	(981,799)
Other liabilities	(79,336)	(114,235)
Onerous contract	-	(3,776,810)
Deferred revenue	(4,025)	1,739,509
Interest on loan payable and convertible debentures	5,750	267,564
	3,686,497	(5,758,678)

21. FINANCE COSTS

Finance costs consist of the following for the three and six months ended June 30, 2022, and 2021:

	Three months ended		Six months ended	
	June 30		June 30	
	2022	2021	2022	2021
	\$	\$	\$	\$
Interest on factored invoices	-	-	-	148,061
Interest on loan payable (Note 14)	738,667	248,693	1,469,217	450,227
Interest on convertible debentures (Note 17)	74,750	77,481	149,500	152,979
Accretion of discount on loan payable (Note 14)	82,318	151,671	164,770	208,961
Accretion on convertible debentures (Note 17)	83,434	66,775	162,171	131,741
Amortization of deferred financing costs	68,096	24,760	136,192	226,115
Interest and penalty on promissory note	-	-	-	188,395
Interest on lease liabilities (Note 16)	16,595	19,944	34,203	40,706
Interest on other liabilities (Note 15)	45,519	52,821	91,124	102,851
Other interest and bank charges (recovery)	52,387	11,222	91,630	(350,046)
	1,161,766	653,367	2,298,807	1,299,990

Indiva Limited**Notes to the Condensed Consolidated Interim Financial Statements**

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(Unaudited, Expressed in Canadian dollars, except per share amounts)

22. SEGMENTED INFORMATION

The Company operates in one segment being the licensed production, processing and sale of cannabis. All property, plant and equipment, assets in process and intangible assets are located in Canada.

23. FINANCIAL INSTRUMENTS AND RISKS

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, other liabilities, loan payable, and convertible debentures. The fair value of accounts receivable, accounts payable and accrued liabilities are equivalent to their carrying values given their short maturity period. Interest accretion on other liabilities is at the Company's effective interest rate, and accordingly, the carrying value is equivalent to the fair value. The loan payable was recorded using the Company's effective interest rate and accordingly its' carrying values approximates the fair value on the issuance date. There has been no material change to the Company's overall effective interest rate as at June 30, 2022, and accordingly the fair value of the Company's long-term financial liabilities, comprising convertible debentures, and loan payable approximates their carrying value as at June 30, 2022.

(a) Foreign currency risk

As at June 30, 2022, the Company did not hold any cash denominated in a foreign currency (December 31, 2021 - \$nil).

(b) Liquidity risk

The Company's approach to managing liquidity is to maintain sufficient liquidity to meet its liabilities when they become due.

In addition to the commitments disclosed in Note 26, the Company is obligated to the following contractual maturities of undiscounted cash flows, net of interest payments:

As at June 30, 2022	Carrying amount	Contractual cash flows	Year 1	Year 2 - 3	Year 4 - 5 and thereafter
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	8,845,224	8,845,224	8,845,224	-	-
Other liabilities	884,798	1,989,521	193,725	416,993	1,378,802
Loan payable	18,627,219	19,751,905	-	19,751,905	-
Lease liabilities	641,125	641,125	158,137	311,684	171,304
Convertible debentures	2,767,431	2,990,000	2,990,000	-	-
Total	31,765,797	34,217,775	12,178,086	20,480,582	1,550,106

Indiva Limited**Notes to the Condensed Consolidated Interim Financial Statements**

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(c) Credit risk

The Company's cash is exposed to credit risk, which is the risk that the counterparties to a financial instrument fail to meet its contractual obligations to the Company. The amount of credit risk related to cash is considered insignificant as the Company's funds are held with a Schedule I bank.

The Company has assessed that it has limited customer credit risk due to the fact that accounts receivable are primarily from the sale of cannabis to government agencies and large retail outlets and have payment terms of 30 - 60 days. The Company has recorded an expected credit loss (recovery) on accounts receivable for the three and six months ended June 30, 2022, totalling \$(2,295) and \$(536) (three and six months ended June 30, 2021 - \$5,918 and \$18,357).

During the three and six months ended June 30, 2022, the Company had gross sales of \$7,616,414 and \$16,201,196 to three major customers (three and six months ended June 30, 2021 - \$8,497,425 and \$14,784,179). These customers each accounted for over 10% of the Company's total revenue for the three and six months ended June 30, 2022. Total amounts receivable from these customers at June 30, 2022, was \$3,305,429 (December 31, 2021 - \$3,438,797).

As at June 30, 2022, the Company's aging of receivables was approximately as follows:

	June 30, 2022	Expected credit loss rate	December 31, 2021	Expected credit loss rate
	\$	%	\$	%
1 – 60 days	3,807,842	0.5	5,216,325	0.1
61 – 120 Days	40,524	3.0	303,663	3.0
Greater than 121 Days	-	-	-	-
Total	3,848,366	0.3	5,519,988	0.3

(d) Interest rate risk

The interest rate on the loan payable and convertible debenture is fixed, and accordingly, is not subject to interest rate risk.

Indiva Limited**Notes to the Condensed Consolidated Interim Financial Statements**

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24. CAPITAL MANAGEMENT

The Company considers its capital under management to be total debt and equity of \$28,129,025 (December 31, 2021 – \$32,956,218), as shown below:

	June 30, 2022	December 31, 2021
	\$	\$
Total debt		
Loan payable	18,627,219	18,327,529
Convertible debentures	2,767,431	2,599,570
Total debt	21,394,650	20,927,099
<hr/>		
Total equity	6,734,375	12,029,119

The Company's primary objectives in managing its capital are to maintain sufficient levels of capital to facilitate production and sales at the London, Ontario facility, as well as to cover general operating expenditures and sustain future development of the business. The Company achieves its objectives by allocating capital in accordance with management's strategies and periodically raising capital through debt or equity.

Under the terms of the Sundial Loan the Company must maintain a cash balance, at all times, of not less than \$2,000,000.

25. INCOME TAXES

There have been no material changes to income tax matters during the three and six months ended June 30, 2022. The Company is subject to income tax at a statutory tax rate of 26.5%. During the three and six months ended June 30, 2022, there were no material changes to statutory tax rates.

26. COMMITMENTS

In addition to the lease liability commitments disclosed in Note 16, the Company has contractual obligations for contractors, consultants, IT services, facility services and equipment, construction costs, and minimum payments under license agreements with terms remaining of up to three years and. The annual minimum payments payable under these obligations are as follows:

	\$
Next 12 months	1,122,555
2 – 3 years	1,365
Thereafter	-
Total	1,123,920

Subsequent to June 30, 2022, the Company entered into commitments totalling \$1,145,477. These commitments are primarily composed of production supplies, cannabis inputs, marketing supplies, and consultant services. These commitments are payable over the next 12 months.

Indiva Limited**Notes to the Condensed Consolidated Interim Financial Statements**

For the three and six months ended June 30, 2022 and 2021

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The Company entered into a license agreement effective March 4, 2020. Under terms of the agreement, the Company will incur minimum expenditures of \$200,000 per quarter for marketing related to the licensed products.

Under the terms of the Amended License Agreement with Bhang, 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 licensed products.

In the normal course of business, the Company may be involved in legal proceedings, claims and assessments. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. Legal fees for such matters are expensed as incurred and the Company accrues for adverse outcomes as they become probable and estimable.

27. KEY MANAGEMENT COMPENSATION

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors.

Key management personnel compensation for the three and six months ended June 30, 2022 and 2021, was as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Short-term key management personnel compensation	251,250	231,596	502,500	463,409
Share-based payments	17,051	108,560	277,749	187,872
Directors' fees	15,625	20,208	31,250	26,250
	283,926	360,364	811,499	677,531

Indiva Limited**Notes to the Condensed Consolidated Interim Financial Statements**

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28. RELATED-PARTY TRANSACTIONS

In the three and six months ended June 30, 2022, the Company paid \$39,250 in interest payments to related party debentures holders.

In the three and six months ended June 30, 2021, the Company settled interest payments totalling \$nil and \$19,000 in exchange for common shares in the Company. The fair value of the shares on issuance was \$0.25 per share. The debenture holders include certain related parties of the Company, including directors and officers of the Company. An aggregate of 86,000 common shares was issued to the creditors, which includes an aggregate of 76,000 common shares issued to related parties to settle interest owing.

29. SUBSEQUENT EVENT

On July 19, 2022, the Company issued 1,012,209 common shares at a fair value on issuance of \$0.17 per share to settle outstanding accounts payable including interest outstanding on convertible debentures. 24,998 of the common shares were issued to related party debenture holders.