

January 3, 2018



## Sunniva Strengthens Management Team Prior to Public Listing

VANCOUVER, British Columbia, Jan. 03, 2018 (GLOBE NEWSWIRE) -- Sunniva Inc. ("**Sunniva**" or "**the Company**"), a provider of medical cannabis products and services focused within the largest cannabis markets - Canada and California - is pleased to announce the appointment of Mr. David Negus, CPA, CA, as the Company's Chief Financial Officer ("**CFO**").

Mr. Negus most recently served as the CFO of Luvo, Inc. ("**Luvo**"), a forward-thinking food company. At Luvo, he was responsible for finance, supply chain operations, information technology, human resources and investor relations. Prior to his role at Luvo, Mr. Negus was Vice President, Corporate Controller at lululemon athletica ("**lululemon**"). In his role at lululemon, Mr. Negus led the finance team through their initial public offering and was responsible for their global financial reporting, accounting, tax, and treasury functions. As part of the lululemon leadership team, he played an integral role in the development and build out of a finance team that supported the business from a private company to a multi-billion dollar international organization.

"David brings to Sunniva more than 20 years of financial leadership with rapidly growing companies," stated Tony Holler, Sunniva's Chairman. "It is timely that we bring someone with Dave's experience on board as we seek to execute on an aggressive growth strategy in 2018, which includes completing construction of our state-of-the art, 500,000 square foot greenhouse facility in California, as well as building a similar facility in Oliver, British Columbia; finalizing wholesale supply agreements related to the production capacity from each of those facilities; rapidly expanding patient access and education of cannabis in Canada through our subsidiary Natural Health Services; and completing the public listing and trading of our shares on the Canadian Securities Exchange. Given the above initiatives, David's extensive experience in building the financial and operational infrastructure required to support rapidly growing, multi-national operations are a great fit for us at this time. David will help us drive strategy to maximize shareholder value and I am confident he will make a meaningful contribution to the success of the Company."

Mr. Negus will transition into the role over the next 30 days, currently held by R. Michael Steele who has been serving as CFO and Executive Vice President Finance since February 2017. The Company thanks Mr. Steele for his efforts and support in preparation of the public listing. Mr. Negus will be based at head office in Vancouver, British Columbia and will assemble his core finance team to support the Company's international operations.

In addition, the Company has appointed Mr. Vinayak Shastry as President of Sun CA Holdings, Inc. (California), the Company's main U.S. operating subsidiary. Mr. Shastry will be responsible for the overall management and direction of Sunniva's California operations. Mr. Shastry has been employed as a consultant to the Company in California since October

2017.

As an operational update, Sunniva in Q4 2017 closed its non-brokered convertible debenture private placement offering having raised total gross proceeds of CAD \$12.13 million. The Company has raised over CAD \$50.0 million to date. The Company has approximately 26.6 million basic shares outstanding and 36.9 million shares on a fully diluted basis. Sunniva anticipates a public listing shortly under the symbol SNN on the Canadian Securities Exchange (“CSE”) subject to fulfilling the requirements of the CSE. Sunniva has also retained Capital Markets Media for supportive news media generation.

### **About Sunniva Inc.**

Sunniva, through its subsidiaries, is a vertically integrated medical cannabis company operating in the two largest markets – California and Canada. Sunniva is committed to becoming one of the lowest cost producers delivering safe, high-quality products and services at scale free of pesticides and/or other contaminants. Sunniva management and board of directors have a proven track record for creating significant shareholder value both in the healthcare and biotech space.

### **Sunniva operates through its wholly owned subsidiaries:**

**CP Logistics, LLC (“CPL”)** – Through CPL, Sunniva has commenced construction of the Sunniva California Campus, state-of-the-art, purpose-built greenhouse facilities in Cathedral City, California. The Sunniva California Campus is planned in two phases and has been designed to comply with current good manufacturing practices (cGMP). Phase one is designed to be 325,000-square feet producing in excess of 60,000 kg of premium cannabis a year. The total Campus is expected to produce over 100,000 kg of premium medical cannabis a year after Phases 1 and 2 are complete. At this facility, it is estimated 30% of all product will be used for higher margin extracted products and will be produced free from the pesticides commonly used within today’s industry.

**Sunniva Medical Inc. (“SMI”)** - SMI is a late stage applicant under Canada’s Access to Cannabis for Medical Purposes Regulations (ACMPR) and is in the final review stage. SMI is designing the Sunniva Canada Campus, 700,000 square feet of purpose-built cGMP greenhouse facilities to be located in Oliver, British Columbia. The total Campus is expected to produce 125,000 kg of premium medical cannabis a year and over 35,000 kg of trim used for extraction. The facility will produce pesticide free products and will convert trim to extracted products such as cannabis oil. The oil will be used for drug delivery formats such as capsules, dissolvable strips, vaporization cartridges, tinctures and creams. Sunniva anticipates to break ground in early 2018.

**Natural Health Services Ltd. (“NHS”)** - NHS owns and operates a network of 8 medical clinics in Canada specializing in medical cannabis under ACMPR. NHS connects patients with safe and effective medical cannabis products through Licensed Producers (“LPs”). NHS has in-house physicians and nurse practitioners specializing in the endocannabinoid system providing expert consultation, education, and recommendations for patients. NHS’ proprietary technology infrastructure assists physicians, patients, LPs to comply with the rules of Health Canada. NHS has more than 100,000 active medical documents outstanding and 75,000 active patients.

**Full-Scale Distributors, LLC (“FSD”)** - FSD, through its brand, Vapor Connoisseur, is a

provider of custom, private-label vaporizers and accessories. FSD currently serves the needs of over 80 brands in the North American marketplace. Vapor Connoisseur is recognized for its high quality and innovative vaporization devices. Products are tailored to client needs, ensuring both safety and reliability and FSD will continue to provide these services in coordination with the large supply from both Sunniva Campuses.

For more information please visit: [www.sunniva.com](http://www.sunniva.com)

This press release contains forward-looking statements within the meaning of applicable securities laws. All statements that are not historical facts, including without limitation, statements regarding future estimates, plans, programs, forecasts, projections, objectives, assumptions, expectations or beliefs of future performance, statements regarding Sunniva's plan to cultivate, produce and distribute a broad range of solutions focused on patients' needs and Sunniva's plans, timing and estimates of production for its facilities and Sunniva's plan and expectation for timing to complete its listing on the CSE, are "forward-looking statements." Forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward looking statements. Such risks and uncertainties include, among others, the risk factors included in the Sunniva's final prospectus dated November 16, 2017 (the "Prospectus"), including without limitation, dependence on obtaining and maintaining regulatory approvals, including acquiring and renewing state, local or other licenses and any inability to obtain all necessary governmental approvals licenses and permits to complete construction of its proposed facilities in a timely manner; engaging in activities which currently are illegal under US federal law and the uncertainty of existing protection from U.S. federal or other prosecution; regulatory or political change such as changes in applicable laws and regulations, including U.S. state-law legalization, particularly in California, due to inconsistent public opinion, perception of the medical-use and adult use marijuana industry, bureaucratic delays or inefficiencies or any other reasons; any other factors or developments which may hinder market growth; Sunniva's limited operating history and lack of historical profits; reliance on management; and the effect of capital market conditions and other factors on capital availability; competition, including from more established or better financed competitors; and the need to secure and maintain corporate alliances and partnerships, including with customers and suppliers. Readers are encouraged to the review the section titled "Risk Factors" in the Prospectus and other disclosure documents on [www.sedar.com](http://www.sedar.com). These factors should be considered carefully and readers are cautioned not to place undue reliance on such forward-looking statements. Although Sunniva has attempted to identify important risk factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other risk factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in forward-looking statements. Sunniva assumes no obligation to update any forward-looking statement, even if new information becomes available as a result of future events, new information or for any other reason except as required by law.

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