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# Sunniva Estimates Over USD \$55 Million Revenue in 2019 From Sunniva Branded Products in California and Secures Additional USD \$4.0 Million in Purchase Orders

VANCOUVER, British Columbia, Feb. 14, 2019 (GLOBE NEWSWIRE) -- Sunniva Inc. ("Sunniva", the "Company", "we", "our" or "us") (**CSE:SNN**) (**OTCQB:SNNVF**), a North American provider of cannabis products and services, is pleased to announce that they have secured an additional USD \$4.0 million in purchase orders from select retail dispensaries in southern California for Sunniva branded cannabis products. This increases the total sales orders received to date to USD \$11.5 million of products to be sold in the first four months of 2019. Sunniva anticipates continued growth in sales volumes in the second quarter, increasing monthly throughout the year, secured by similar types of retail purchase contracts.

In 2019, Sunniva estimates revenue of USD \$55-\$60 million from sales of Sunniva branded products in California manufactured in their licensed extraction facility and from purchasing compliant third-party flower from strategic relationships that is packaged, branded, distributed and sold. Sunniva estimates combined gross margin of 40% - 50% from these product lines during the ramp up stage of operations in California. These revenues do not include Full Scale Distributors, LLC, and the large-scale high technology greenhouse in California or Natural Health Services Ltd.'s clinics in Canada.

Sunniva commenced sales of flower products in January 2019 and will be unveiling three new Sunniva brands this quarter that will include numerous product categories including flower, pre-rolls, ultra-pure distillates, vape cartridges and premium concentrates. Sunniva will continue to purchase the necessary biomass inputs (flower and trim) for its brands from strategic relationships in California, leveraging their operational extraction facility and in-house distribution.

Sunniva branded product lines within its house of brands will include:

- **Ultra-pure distillate products:** 1.0 ml, 0.5 ml and 0.33 ml filled vape cartridges, live resin vape cartridges and disposable pens
- **Premium concentrates:** live resin extracts, shatters and waxes
- **Premium Flower:** various size packaging and pre-rolls

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

## **About Sunniva Inc.**

Sunniva, through its subsidiaries, is a vertically integrated cannabis company operating in the world's two largest cannabis markets – California and Canada. Our ability to leverage our large-scale, purpose-built cGMP designed greenhouses, offering better quality assurance with cannabis products free from pesticides, uniquely positions Sunniva as a leading supplier of safe, high quality products at scale. Through our strategically positioned cultivation and extraction facilities in California, we are launching Sunniva branded products in various product categories including flower, pre-rolls, vape cartridges and premium concentrates. Our compliant distribution in California will ensure the placement of Sunniva branded products at licensed dispensaries throughout the state. We continue to pursue other upstream vertical opportunities. Sunniva's management and board of directors have a proven track record for creating significant shareholder value both in the healthcare and biotech industries.

This news release includes statements containing certain "forward-looking information" within the meaning of applicable securities law ("forward-looking statements"), including, but not limited to, statements relating to the Company's anticipated acceleration of growth in product sales in California, Sunniva's revenue and net profit margin projections, continued purchase of necessary biomass inputs from strategic relationships in California, the launch of Sunniva's house of brands, the completion of the Company's cannabis purchase contracts and the preparation for large-scale production at the Company's greenhouse in Cathedral City, California. Forward-looking statements are frequently characterized by words such as "plan", "continue", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this news release. Estimated 2019 revenue and gross margin is based on current wholesale market price estimates for vape cartridges, disposable pens, concentrates and flower. Management believes that disclosing its current estimates and expectations regarding 2019 revenue and gross margin will better allow investors to understand the current expected growth and development of Sunniva's business and that such information is particularly useful in the current year given that Sunniva has not previously reported significant revenues. Investors are cautioned that these estimates and expectations may not be appropriate, and should not be used, for other purposes. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The Company is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

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