

April 29, 2019



## Sunniva Announces Acquisition Of Two Licenced Cannabis Companies To Expand Its Packaging And Distribution Capabilities In California

- Acquiring two California entities holding temporary distribution and manufacturing licences, respectively.
- Assumption of leases for a total of 6,662 sq. ft premises in a Coachella, CA.
- Expands capacity for storage, sorting, packaging and distribution of branded cannabis products

VANCOUVER, British Columbia, April 29, 2019 /PRNewswire/ -- 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 its wholly-owned subsidiary, CP Logistics, LLC ("CPL") has acquired an 80% membership interest in 420 Distribution, LLC ("420") and Coachella Distillation, LLC ("Coachella") (collectively, the "Companies") from Group Two Investments, LLC ("Group Two") and will assume the existing leases of the commercial property located in Coachella, CA. The total consideration for the Companies was not material (the "Purchase Price").



420 currently holds a temporary distribution license from the California Bureau of Cannabis Control ("BCC") and Coachella currently holds a temporary type "P" manufacturing license from the California Department of Public Health ("CDPH") (collectively the "Licenses"). The Licenses are set to expire on April 30, 2019 and July 26, 2019, respectively. In connection with closing the acquisition, the Companies will file annual licence applications for the Licenses which will extend the temporary status. Upon receipt of the annual distribution and manufacturing licences ("Annual Licenses"), CPL will acquire the remaining 20% membership interests in the Companies for a nominal amount. Should the Annual Licences not be obtained, the acquired interest in the Companies shall revert to Group Two and the Purchase Price shall be repaid to CPL.

"We continue to focus our efforts on enhancing and expanding our business in California and this new facility will expand our packaging and distribution operations," said Kevin Wilkerson, CEO of Sun CA Holdings, Inc. "Following the successful launch of our first cannabis branded products earlier this year, we are looking ahead to growing in the volume of products sold and we see this facility playing an instrumental role within the fully vertically integrated operations we are building in Southern California as it will enable us to increase our overall packaging capacity, expand our distribution capabilities and most importantly reduce our overall distribution costs."

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

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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. Sunniva is focused on creating sustainable premium cannabis brands supported by our large-scale, purpose-built cGMP designed greenhouse and extraction facilities. We offer a steadfast commitment to safety and quality assurance providing cannabis products free from pesticides, which positions Sunniva in California as a leading provider of safe, high quality, reproducible products at scale. Through

production from Phase One of our strategically positioned 325,000 square foot high technology greenhouse which is nearing completion and our fully operational Extraction Facility in California, we are launching Sunniva branded products in various product categories and price points including flower, pre-rolls, vape cartridges and premium concentrates. Sunniva branded products will be showcased within our flagship dispensary to be located at the greenhouse and our in-house marketing and distribution team will strive to ensure the placement of Sunniva branded products at licensed dispensaries throughout the state. 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 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 terms of the acquisitions including the filing of applications for the Annual Licenses, the Company's operations and growth opportunities, the Company's plans to launch Sunniva-branded products in various product categories including premium concentrates, vape cartridges, flower, pre-rolls, and beverages, and the expansion of the Company's distribution capabilities in California and the reduction of overall distribution costs as a result of acquisitions, 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 continuous disclosure documents available 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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