

June 21, 2021



# Sunniva Announces Implementation of Plan of Arrangement

VANCOUVER, BC, June 21, 2021 /CNW/ - Sunniva Inc. ("Sunniva", the "Company") (CSE:SNN) (OTC-PINK:SNNVF) announces that effective June 18, 2021 the Company and its Canadian subsidiaries (the "**Petitioners**") have, pursuant to the order made by the Supreme Court of British Columbia on February 12, 2021 (the "**Sanction Order**") implemented the Amended and Consolidated Plan of Compromise and Arrangement dated January 14, 2021, including issuance of an aggregate of 755,814,804 common shares of Sunniva pursuant to the Plan (the "**Plan Shares**"). Pursuant to the Sanction Order, the Petitioners are now discharged and released from their CCAA proceedings and Alvarez & Marsal Inc. is now discharged and released from its duties in relation to the Petitioners. All of the securities of Sunniva, including the Plan Shares, will remain subject to the cease trade order applicable to securities of the Company issued on June 22, 2020 for failure to file certain financial documents (the "**Cease Trade Order**") until such Cease Trade Order is fully revoked.

DRS statements representing the Plan Shares will be delivered via regular mail by Sunniva's transfer agent, Odyssey Trust Company, to the address of each creditor as shown on the records of Sunniva.

Work on the audits of the Company's financial statements for the years ended December 31, 2019 and 2020 is progressing ahead of the anticipated schedule. A significant portion of the 2019 field work and testing have been completed and a draft financial statement package is under internal review. Some work on the 2020 audit has been done in tandem with 2019 to gain efficiency. The Company anticipates completing both audits by the end of July.

The Company's wholly-owned subsidiary, CP Logistics, LLC ("**CPL**"), is engaged in arbitration with the current owner and landlord of the California glasshouse, Bobs LLC ("**Bobs**"), concerning CPL's rights as tenant under an October 20, 2017 Conditional Build to Suite Lease and a March 2018 Subordination Non-Disturbance and Attornment Agreement (the "**Lease**"). On April 2, 2021, CPL commenced arbitration to, among other things, obtain a declaratory judgment that the Lease remains in full force and effect and was never terminated. Bobs filed a counterclaim seeking a declaration that the prior landlord validly terminated the Lease. Both sides also seek money damages under various theories. The arbitration is being administered by JAMS Arbitration (the "**Tribunal**"). The parties have selected a three arbitrator Panel and are scheduled to conduct a Preliminary Conference Call with the Tribunal on July 2, 2021.

In accordance with the policies of the Canadian Securities Exchange (the "**CSE**"), the CSE will be reviewing the continued listing of the common shares of the Company. Trading of the shares will continue to be suspended until the Cease Trade Order has been fully revoked.

Additional information may be obtained from the Monitor's website at:  
<https://www.alvarezandmarsal.com/Sunniva>.

The Canadian Securities Exchange does not accept responsibility for the adequacy or accuracy of this release.

### **Cautionary Note Regarding Forward-Looking Information or Statements**

*This press release contains forward-looking information or statements. All statements that are, or information which is, not historical facts, including without limitation, statements regarding future estimates, plans, programs, forecasts, projections, objectives, assumptions, expectations or beliefs of future performance, are "forward-looking information or statements". Forward-looking information or 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. With respect to forward-looking information and statements contained herein, Sunniva has made numerous assumptions including, among other things, assumptions about general business and economic conditions, the Company's ability to successfully have the Cease Trade Order fully revoked; and that the trading of the Company's common shares will continue to be suspended until the CCAA process has completed and the cease trade order has been revoked. Such forward-looking statements are based on assumptions and 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 information or 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 information or 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 information or 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 information or statements. Sunniva assumes no obligation to update any forward-looking information or statements, 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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