SUNNIVA INC. PROVIDES STRATEGIC UPDATE; ANNOUNCES FISCAL 2018 FINANCIAL RESULTS

- 2018 gross revenue of $18.8 million, up from $16.1 million in 2017
- Q1 2019 preliminary revenue estimate of $14.0 million, up 169% from Q1 2018
- Update on US and Canadian corporate strategy and operations

VANCOUVER, BC – April 29, 2019 - Sunniva Inc. ("Sunniva", the "Company", "we", "our" or "us") (**CSE:SNN**) (**OTCQB:SNNVF**), a North American provider of cannabis products and services, today released its financial results and management's discussion and analysis for the three months and year ended December 31, 2018 and provided an operational update and outlook for its US and Canadian operations. All figures are reported in Canadian dollars ($), unless otherwise indicated. Sunniva's financial statements are prepared in accordance with International Financial Reporting Standards.

"While we were faced with some challenges in 2018, our existing businesses continued to see revenue growth and we now have strategic verticals assembled in California which have allowed us to leverage our core assets and to launch brands covering numerous cannabis product categories," said Dr. Anthony Holler, CEO of Sunniva.

"Hard work by our team in California throughout 2018 has begun to bear fruit in early 2019. The extraction facility became operational in Q3 2018 and, in conjunction with the acquisition of our distribution company, has enabled us to successfully launch two of our first three product brands into the California market in March 2019. Strong initial sales of our cannabis brands contributed over $10.0 million of revenue to our total preliminary revenue estimate of $14.0 million for Q1 2019 which is almost as much revenue as we generated all of last year."

Corporate Strategy Update

In 2019, Sunniva plans to focus primarily on the ongoing development of our California assets and brands in California. In Canada, we continue to expand our Natural Health Services ("NHS") operations with new leadership from Dr. Mark Kimmins. We have suspended operations on our Okanagan Falls property (the "Sunniva Canada Campus") as we focus efforts on US operations, and we continue to review strategic initiatives in respect of our Canadian assets.

California Operations Update

- Construction of the phase one 325,000 square foot Sunniva California Campus in Cathedral City, California experienced delays and is now expected to be operational in late Q3 2019 at which time we will commence the onboarding of genetics and plants. The delay is caused by additional leasehold improvements required to increase the efficiency of the greenhouse and slower than expected construction progress.

- Total flower production capacity of phase one is projected to be 50,000 kg (50 million grams) per year of premium indoor cannabis at capacity. Planned automation will move the plants through their life cycle and is expected to allow the Sunniva California Campus to deliver a continuous daily harvest. Phase two is planned to be an additional 164,000 square foot glasshouse for a total of 489,000 square feet of state-of-the-art, purpose-built facilities, capable of producing 72,500 kg (72.5 million grams) per year of dried flower at peak capacity. The flagship Sunniva onsite dispensary is expected to be completed and operational in Q1 2020 which will showcase the Sunniva brands.

- The estimated capital costs of the leased Sunniva California Campus have increased to US$95 million due to additional costs expected for the temperature control and lighting systems and additional infrastructure on phase two. Sunniva has contributed approximately US$19.5 million to date and is committed to spending an additional US$10.5 million to complete its obligation.
- Sunniva successfully launched initial cannabis brands in California: The Sun Fire and Kyndness brands were launched in Q1 2019 and the Herbella brand remains on schedule to be launched in Q2 2019. Super premium flower brands are expected to be launched with production from Sunniva California Campus.
- Sunniva's extraction facility (the "Extraction Facility") has been operational since Q3 2018 and is currently producing high quality distillate and premium concentrates for the Sunniva branded product lines. Sunniva continues to source compliant third-party biomass and trim through existing relationships which are expected to drive revenues in 2019. Reliance on purchases of third-party biomass will be reduced as production from the Sunniva California Campus becomes available.
- The Company, through CP Logistics, LLC ("CPL"), has recently acquired an 80% membership interest in 420 Distribution, LLC and Coachella Distillation, LLC who hold temporary licenses and leases for packaging and distribution in Coachella, CA which will expand the Company's distribution capabilities in Southern California.
- Sunniva has submitted its annual state license applications for the Sunniva California Campus and has received the annual state license for its Extraction Facility.
- California revenue guidance: Sunniva reiterates the previously stated 2019 revenue forecast of US$55-60 million from Sunniva branded cannabis product sales in California (this revenue forecast does not include revenue from Sunniva California Campus, NHS or Full-Scale Distributors, LLC ("FSD")).

Canada Operations Update

- Sunniva continues its review of strategic initiatives for the Canadian assets and has determined that it will not proceed with the previously proposed 'Spin-Out' of NHS and Okanagan Falls property into a separate publicly traded entity. All current development plans for the Sunniva Canada Campus in Okanagan Falls, BC have been suspended as we focus efforts on the US operations. As a result, the supply agreement with Canopy Growth Corporation will not proceed.
- Sunniva Medical Inc. ("SMI") has sold certain components related to the superstructure of the Sunniva Canada Campus to an arm's length private U.S. company. SMI has also terminated its agreement with its general contractor for the construction of the Sunniva Canada Campus.
- NHS continues to be active in its efforts to expand its presence across Canada through the recruitment of physicians that will serve the growing numbers of Canadian medical cannabis patients. NHS owns seven medical clinics in four provinces (AB, SK, MB & ON) with 16 physicians and nurse practitioners, a network of 12 affiliate clinics in BC, Alberta and Ontario, with a combined 20 physicians.

- NHS successfully completed its trial operations with HelloMD for the offering of telemedicine services in Ontario and is beginning to see early adoption of this alternative method for Canadians located in areas without access to medical cannabis practitioners.

- NHS has recently formed a collaborative relationship with Canada's largest private union, UNIFOR, whereby NHS will be a preferred recommendation as a clinic source to UNIFOR's members for the safe use of and convenient access to medical cannabis. UNIFOR has more than 315,000 members across the country, working in every major sector of the Canadian economy.

Financial Highlights – Year Ended December 31, 2018

Consolidated Financial Highlights expressed in 000's of $, except per share amounts

	Year Ended December 31,		
	2018	2017 Restated	Change
Revenue	$ 18,789	$ 16,072	$ 2,717
Cost of Goods Sold	10,990	9,389	1,601
Gross Margin	7,799	6,683	1,116
Selling, General and Administrative	24,749	14,390	10,359
Share-based Payments	8,247	3,981	4,266
Amortization Expense	2,934	2,526	408
Loss from Operations	(28,131)	(14,214)	(13,917)
Net Loss	$ (29,048)	$ (17,513)	$ (11,535)
Basic Loss Per Share	$ (0.91)	$ (0.70)	$ (0.21)
Weighted Average Number of Shares	31,805,910	25,128,623	6,677,287
Total Number of Shares Outstanding	38,083,780	26,636,073	11,447,707

Results of Operations – Year Ended December 31, 2018

For the year ended December 31, 2018, the Company generated $18.8 million in revenue as compared to $16.1 million during the year ended December 31, 2017. NHS contributed $10.6 million, FSD contributed $8.1 million and CPL contributed $0.1 million during 2018. Net loss for the year ended December 31, 2018 was $29.0 million as compared to $17.5 million during the year ended December 31, 2017.

The key components contributing to the change in net loss from the year ended December 31, 2018 compared to the year ended December 31, 2017 comprise the following:

- Revenue increased by $2.7 million during the year ended December 31, 2018. FSD revenue increased by $3.3 million during the year ended December 31, 2018 due to an increase in sales from current customers as well as an increase in the customer base. NHS revenue decreased by $0.7 million during the year ended December 31, 2018 due to a temporary loss of doctors midway through 2018. CPL revenue increased by $0.1 million as initial extraction revenue was realized.

- Gross margin increased by $1.1 million during the year ended December 31, 2018 primarily due to an increase in FSD revenue. On a percentage basis, gross margin remained consistent at 42%.

- Selling, general and administration expenses increased by $10.5 million during the year ended December 31, 2018. The increase is primarily due to the Company's growth in 2018 as US operations progressed significantly, which has led to an increase in the number of employees of the Company. The most significant increase in costs relate to personnel costs, rent and insurance of US operations.

- Share-based payment expenses were $8.2 million for the year ended December 31, 2018 compared to $4.0 million in the year ended December 31, 2017 as the options granted during the year had much higher valuations due to the higher share price in the first half of 2018.
- The Company recognized an impairment loss of $1.3 million due to a valuation assessment of assets held-for-sale at December 31, 2018.
- The Company realized a non-cash gain of $1.0 million on settlement of a secured convertible promissory note issued in connection with the acquisition of FSD in the first quarter of fiscal 2018.
- The Company recognized an impairment loss of $0.7 million on the goodwill balance associated with NHS. The Company assessed all indefinite life intangible assets at December 31, 2018 for impairment and reduced the NHS balance to reflect the uncertainty in the future of the Canadian medical cannabis market.
- Fair value changes in derivative instruments due to the revaluation of secured convertible promissory notes and warrants went from a loss of $5.3 million for the year ended December 31, 2017 to a gain of $1.5 million for the year ended December 31, 2018. This was due to a decrease in the Company's share price in the second half of fiscal 2018.
- Amortization and depreciation expense increased by $0.4 million during the year ended December 31, 2018 due to a higher cost base of the assets in 2018.

Recent Operating Developments Subsequent to December 31, 2018

- On February 12, 2019, the Company closed an initial tranche of a non-brokered offering of convertible debentures for gross proceeds of approximately $15.0 million. On March 1, 2019, the Company closed a second tranche of the non-brokered offering of convertible debentures for gross proceeds of approximately $3.3 million. The debentures bear interest at 10% per annum, payable annually and mature on February 15, 2021. The debentures are convertible into common shares of the Company at a price of $5.27 per share at the holder's option.
- On March 14, 2019, the letter of intent to acquire the Oakland Vision Project expired as the Company determined not to proceed with the acquisition.
- On April 1, 2019, the Genetics Agreement which provided Sunniva access to cannabis genetic and propagating materials produced at the Oakland Facility (the "Genetics Agreement") terminated in accordance with its terms. Prior to the expiration of the Genetics Agreement, the Company moved the propagating materials and genetics to another facility in California.
- On April 15, 2019, the Company closed a non-brokered private placement of 4.3 million units of the Company ("Units") for gross proceeds of $4.3 million. On April 24, 2019 the Company closed a second tranche of the non-brokered private placement of 1,210,000 Units for gross proceeds of $1.2 million. In aggregate, a total of 5.51 million Units were issued, with each Unit consisting of a principal amount of unsecured promissory notes of the Company at an interest rate of 10% and 0.1897 common share purchase warrants of the Company at an exercise price of $5.27 per warrant. The promissory notes mature on the earlier of (i) two business days following receipt by the Company of proceeds from the sale of any or all of the Company's Canadian assets following the respective closing dates, which, in the aggregate are equal to or greater than the proceeds of the offering; and (ii) 6 months from the closing dates.
- The Company's cash position is $4.2 million as of April 29, 2019.

Copies of our consolidated financial statements for the year ended December 31, 2018 and related management's discussion and analysis of financial results are available on SEDAR at www.sedar.com.

The Company's executive management will discuss the results during a conference call on Tuesday, April 30, 2019 at 11:00 am Eastern Time / 8:00 am Pacific Time. To participate in the call please dial 1-800-319-4610, or (604) 638-5340. An audio replay will be available shortly after the call by dialing 1-855-669-9658 or (604) 674-8052 and entering code 3178. The replay will be available for two weeks following the call.

For more information please visit: www.sunniva.com

To be added to the Sunniva email distribution list please register at www.sunniva.com/email-alerts.

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. In Canada, Sunniva's wholly owned subsidiary NHS operates medical cannabis clinics that provide educational and clinical services to patients. In California, 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 the Company's operations and growth opportunities, the expected capital costs and timing of completion of the Sunniva California Campus in late Q3, 2019 and projected production capacity for the Sunniva California Campus, the timing of completion of the Sunniva onsite dispensary in Q1 2020, the determination that the Company's supply agreement with Canopy Growth Corporation will not proceed, the reduction in reliance on purchases of third-party biomass for the Extraction Facility as anticipated production from the Sunniva California Campus becomes available and the Company's plans to launch Sunniva-branded products in various product categories including high quality distillate, premium concentrates, vape cartridges, flower, pre-rolls, and beverages, and the expansion of the Company's distribution capabilities in California as a result of the recent 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. 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.

Company Contacts:
Sunniva Inc.
Dr. Anthony Holler
Chairman and Chief Executive Officer
Phone: (866) 786-6482

Investor Contact:
Phil Carlson / Erika Kay
KCSA Strategic Communications
Phone: (212) 896-1233
Email: pcarlson@kcsa.com / ekay@kcsa.com

Media Contact:
Katelyn Tumino / Tony Forde
KCSA Strategic Communications
Phone: (212) 896-1252
Email: ktumino@kcsa.com / tforde@kcsa.com