SUNNIVA INC. ANNOUNCES Q1 2019 FINANCIAL RESULTS

- Q1 2019 revenue of $14.2 million, up 175% from Q1 2018 with gross margin of 37%
- Revenue of $10 million from initial sales of branded cannabis products in California

VANCOUVER, BC – May 30, 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 ended March 31, 2019. All figures are reported in Canadian dollars ($), unless otherwise indicated. Sunniva's financial statements are prepared in accordance with International Financial Reporting Standards.

"We made significant progress towards our objective of becoming a fully vertically integrated cannabis company in California during the first quarter," stated Dr. Anthony Holler, CEO of Sunniva. "We successfully launched our first product brands, generated revenue of over $14 million dollars, including $10 million from cannabis product sales, made significant progress on our glasshouse construction and now have a clear line of sight to the Sunniva California Campus in Cathedral City becoming operational in late Q3."

Financial Highlights – Three Months Ended March 31, 2019

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

	Three Months Ended March 31,		
	2019	2018	Change
Revenue	$ 14,189	$ 5,164	$ 9,025
Cost of Goods Sold	8,931	3,071	5,860
Gross Margin	5,258	2,093	3,165
Selling, General and Administrative	6,068	5,557	511
Share-based Payments	1,001	2,169	(1,168)
Amortization Expense	1,252	702	550
Loss from Operations	(3,063)	(6,335)	3,272
Net Loss	$ (3,455)	$ (6,268)	$ 2,813
Basic Loss Per Share	$ (0.09)	$ (0.23)	$ 0.14
Weighted Average Number of Shares	38,317,318	27,399,250	10,918,068
Total Number of Shares Outstanding	38,083,780	26,636,073	11,447,707

Results of Operations – Three Months Ended March 31, 2019

For the three months ended March 31, 2019, the Company generated $14.2 million in revenue as compared to $5.2 million during the three months ended March 31, 2018. CP Logistics, LLC ("CPL") contributed $10.0 million, Full-Scale Distributors, LLC ("FSD") contributed $2.4 million and Natural Health Services Ltd. ("NHS") contributed $1.8 million during the period. Net loss for the three months ended March 31, 2019 was $3.5 million as compared to $6.3 million during the three months ended March 31, 2018.

The key components contributing to the change in net loss from the three months ended March 31, 2019 compared to the three months ended March 31, 2018 comprise the following:

- Revenue increased by $9.0 million during the three months ended March 31, 2019. CPL revenue increased by $10.0 million during the three months ended March 31, 2019 due to the commencement of CPL's packaging business line and increased sales from the Extraction Facility. FSD revenue remained consistent with the comparative period with a decrease of $0.1 million. NHS revenue decreased by $0.8 million due to a decrease in the number of doctors from the comparative three months ended March 31, 2018.

- Gross margin increased by $3.2 million during the three months ended March 31, 2019 primarily due to the increase in revenue from CPL. On a percentage basis, gross margin decreased from 41% to 37% in the three months ended March 31, 2019 largely due to a lower realized margin in CPL as it is in the early stages of operations.

- Selling, general and administration expenses increased by $0.5 million during the three months ended March 31, 2019. The increase is primarily due to an increase in personnel costs reflecting the Company's growth since the three months ended March 31, 2018.

- Share-based payment expenses were $1.0 million for the three months ended March 31, 2019 compared to $2.2 million in the three months ended March 31, 2018, as the recognition of share-based payment expenses decreases as the options continue to vest.

- Fair value changes in derivative instruments due to the revaluation of secured convertible promissory notes and warrants went from a loss of $0.9 million for the three months ended March 31, 2018 to a loss of $0.5 million for the three months ended March 31, 2019. This was due to the fact that all derivative instruments had been settled by March 31, 2019.

- Amortization and depreciation expense increased by $0.6 million during the three months ended March 31, 2019 due to a higher cost base of the assets since the comparative period.

Key Developments in the First Quarter 2019

- On February 12, 2019, the Company closed an initial tranche of a non-brokered private placement of convertible debentures ("Convertible Debentures") for gross proceeds of approximately $15.0 million. On March 1, 2019, the Company closed a second tranche of the non-brokered private placement of Convertible Debentures for gross proceeds of approximately $3.3 million. The Convertible Debentures bear interest at 10% per annum, payable annually and mature on February 15, 2021. The Convertible 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.

Recent Operating Developments Subsequent to March 31, 2019

- On April 1, 2019, the Genetics Agreement which provided CPL access to cannabis genetic and propagating materials produced at a licensed cannabis cultivation facility in Oakland, California (the "Genetics Agreement") terminated in accordance with its terms. Prior to the expiration of the Genetics Agreement, CPL 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 1.21 million 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 bearing interest at a rate of 10% per annum ("Promissory Notes") and 0.1897 Common Share purchase warrants (a "Warrant") with 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 respective closing dates.

- On April 25, 2019, the Company, through CPL, acquired a majority interest in two licenced cannabis companies in California, 420 Distribution, LLC and Coachella Distillation, LLC. The entities hold leases for commercial property located in Coachella, California, which will be used to expand the Company's packaging and distribution capabilities in California.

- The Company's cash position is $1.6 million as of May 30, 2019.

Copies of our consolidated financial statements for the three months ended March 31, 2019 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 Friday, May 31, 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 3294. The replay will be available for two weeks following the call.

For more information please visit: www.sunniva.com

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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 expectation that the Sunniva California Campus will be operational in late Q3 2019; the Company's plans to expand its packaging and distribution capabilities in California; the Company's plans to launch Sunniva branded products in various product categories and price points including flower, pre-rolls, vape cartridges and premium concentrates; and the Company's intention to showcase Sunniva branded products within the Company's flagship dispensary to be located at the greenhouse and at licensed dispensaries throughout the state 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.

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