



SUNNIVA ANNOUNCES COMMENCEMENT OF ARBITRATION AND UPDATE ON PROGRESS TOWARDS COMPLETION OF CCAA PLAN

VANCOUVER, BC – April 5, 2021 - Sunniva Inc. (“Sunniva”, the “Company”) (**CSE:SNN**) (**OTC Pink Sheets:SNNVF**) announces that on April 2, 2021, the Company’s wholly-owned subsidiary CP Logistics, LLC (“CPL”) commenced an arbitration with JAMS Arbitration in California against Bobs LLC (“Bobs”), the current owner and Landlord of the property in Cathedral City, California in which CPL is the tenant under an October 2017 Build to Suit Lease (the “Lease”). That arbitration seeks, among other things, specific performance of the Lease governing CPL’s rights as a tenant, including an Order declaring that the Lease was never terminated, that Bobs is obligated to complete construction of the glasshouse and that CPL is entitled to occupy the premises upon completion pursuant to the terms of the Lease. The arbitration also seeks a declaration that CPL is entitled to day-to-day rent abatement upon occupancy for each day of delay in the completion of the building attributable to the actions of the owner/landlord, as well as monetary damages, including lost profits.

The Company also provides an update on its progress towards implementing the Amended Consolidated Plan of Arrangement and Compromise of Sunniva and its Canadian subsidiaries (the “Plan”) under the Companies Creditors Arrangement Act (“CCAA”). As previously announced, the Plan was approved the requisite majorities of creditors and sanctioned by the British Columbia Supreme Court (the “Court”). Implementation of the Plan is subject to, among other things, the partial revocation of the Cease Trade Order (as defined below) to permit the issuance of common shares in connection with a debt-to-equity conversion contemplated under the Plan (the “Debt Conversion”), and the fulfilment or waiver of certain other conditions more particularly set out in the Plan.

As contemplated by the Plan, Sunniva has made an application to the British Columbia Securities Commission and the Ontario Securities Commission for a partial revocation of the Cease Trade Order (the “Partial Revocation”) to allow the Company to complete the Debt Conversion. If the Partial Revocation is obtained, the Company intends to complete the Debt Conversion and the Plan and schedule a meeting of shareholders.

Sunniva has also engaged audit firm, MNP, to perform audits for the financial years ended December 31, 2020 and 2019. MNP has prepared year end audits and quarterly reviews for the Company since 2017. In addition to the audits, the finance team has engaged tax firms in Canada and the US to file returns.

Pursuant to the Order made February 12, 2021, the Monitor has returned to the Company CAD\$1.3M that was being held in trust pursuant to an order made November 27, 2020. In addition, a U.S. subsidiary of the Company has raised CAD\$1.6M through the issue of promissory notes and pursuant to an order made December 11, 2020, the Company and its Canadian subsidiaries raised CAD\$92K through the sale of equipment in Q1 2021. The Company’s use of the funds remains subject to the oversight of the CCAA proceedings and the funds are being used to complete the steps and activities contemplated by the Plan.

In accordance with the policies of the Canadian Securities Exchange (the “CSE”), in connection with the CCAA proceedings, the CSE will be reviewing the continued listing of the common shares of the Company. The common shares of the Company have been subject to a cease trade order since June 22, 2020 for failure to file certain financial documents (the “Cease Trade Order”). Trading of the shares will continue to be suspending until the CCAA process has been completed and 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 partially revoked and the Debt Conversion completed; the plan to schedule a meeting of shareholders; the completion and timing for completion of the financial year end audits; the filing of Canadian and US tax returns; 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, and the conditions of the Plan. 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. 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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