



SUNNIVA INC. ANNOUNCES THIRD QUARTER FINANCIAL RESULTS

VANCOUVER, BC – November 28, 2017 - Sunniva Inc. ("Sunniva" or "the Company"), a North American provider of medical cannabis products and services, today released its unaudited third quarter financial results and management's discussion and analysis for the nine months ending September 30, 2017. All figures are reported in Canadian dollars (\$), unless otherwise indicated. Sunniva's financial statements are prepared in accordance with International Financial Reporting Standards.

"During the quarter we accelerated our cultivation business activities in Canada and California while advancing our business through the delivery of quality medical cannabis services and high-quality devices," said Anthony Holler, Chairman and CEO of Sunniva. "We reported strong revenue growth, strengthened our balance sheet and began building a solid foundation for execution of our strategy."

Holler said the Company's focus for the third quarter was to materially complete the financing of its Cathedral City, California, cultivation facility through a sale and lease back; commence the build-out of Sunniva's oils and extracts manufacturing facility; launch the expansion of its medical clinic business into eastern Canada; and to advance its Canadian cultivation license application.

Financial and operational highlights for Q3 and the nine months ending September 30, 2017

- The Company reported revenue of \$10.2 million for the nine months ending September 30, 2017 compared to \$nil for the same period in 2016.
- Revenue grew 39% quarter-over-quarter increasing to \$4.6 million in Q3 from \$3.3 million the prior period.
- The adjusted net loss for the nine months ending September 30, 2017 was \$4.1 million and \$0.16 per share compared to \$5.5 million and \$0.31 per share for the same period in 2016. Net loss was adjusted for non-cash expenses resulting from the fair value increase in promissory notes and warrants, share-based compensation, and non-operations related amortization expense resulting from the Company's acquisitions.
- The Company reduced its debt obligations with the repayment of \$2.25 million in promissory notes.
- The Company closed its offering of special warrants for net proceeds of \$6.2 million, subsequently qualified by its receipted prospectus, and a concurrent private placement for \$1.2 million.
- Wholly owned subsidiary, CP Logistics, LLC, received unanimous approval by Cathedral City's Planning Commission for its conditional use permit triggering the commencement of construction for its California cultivation facility.
- Wholly owned subsidiary, Natural Health Services Ltd., surpassed more than 100,000 medical documents and 75,000 active patients and expanded into Ontario and Manitoba.
- Sunniva acquired 100% of the membership interests in A1 Perez, LLC, for total consideration of \$1.3 million resulting in an additional oils and extracts manufacturing license and a manufacturing facility contiguous to the Company's existing facility on Perez Road, Cathedral City, CA.
- Sunniva reported adjusted working capital of \$7 million as at September 30, 2017 after the elimination of non-cash warrant liability and the conversion of its outstanding convertible notes.
- Subsequently, Sunniva sold its land at Ramon Road, Cathedral City, CA to Sunniva Production Campus, LLC, and issued 8% convertible debentures for combined proceeds of \$15.6 million. The Company used proceeds to repay \$5.1 million in secured convertible notes further reducing its debt obligations.

In other news, the Company continues to progress its public listing process on the Canada Securities Exchange (the "CSE"), including determining the best timing for implementing its listing. Given recent industry developments and strategic initiatives currently under negotiation, the Company's current expectation is that its listing will occur in the new year.

About Sunniva Inc.

Headquartered in Western Canada, Sunniva Inc. (formerly Sunniva Holdings Corp.) is a vertically integrated medical cannabis company committed to improving the quality of human life through its planned delivery of low cost, high-quality medical cannabis and better access to physician-led therapies and delivery methods. Sunniva brings legitimacy to the nascent medical cannabis market through state-of-the-art technology, strict regulatory compliance, safety and education. Sunniva operates in Canada and California and plans to cultivate, produce and distribute a broad range of solutions focused on patients' needs. Sunniva operates through its wholly owned subsidiaries - CP Logistics, Sunniva Medical, Natural Health Services and Full-Scale Distributors.

Copies of our unaudited third quarter financial statements and related management's discussion and analysis of financial results are available on SEDAR at www.sedar.com.

For more information please visit: www.sunniva.com

CP Logistics, LLC ("CPL") – Through CPL, Sunniva is developing the Sunniva Campus, a state-of-the-art, purpose-built greenhouse facility in Cathedral City, California. Sunniva Campus is planned in two phases and has been designed to comply with current Good Manufacturing Practices (cGMP). Phase one is designed to be a 324,000 sq. ft. facility. The total campus is expected to produce approximately 120,000 kg of premium medical cannabis a year after Phases 1 and 2 are complete. At this facility, products will be produced free from the pesticides commonly used within today's industry.

Sunniva Medical Inc. ("SMI") -SMI is a late stage applicant under Canada's *Access to Cannabis for Medical Purposes Regulations ("ACMPR")* and is in the review stage. SMI is designing the Canadian Sunniva Campus, purpose-built cGMP greenhouse facilities to be located in Oliver, British Columbia, and constructed in two phases. Phase one is designed as a 400,000-sq. ft. facility and is expected to produce 70,000 kg of premium medical cannabis per year. Sunniva anticipates breaking ground in Q1 2018.

Natural Health Services Ltd. ("NHS") - NHS owns and operates a network of medical clinics in Canada specializing in medical cannabis under ACMPR. NHS connects patients with safe and effective medical cannabis products through licensed producers. In-house medical professionals specializing in the endocannabinoid system provide expert consultation, education, and recommendations for targeted phytoceutical remedies and wellness plans to improve the quality of life for all patients. NHS' proprietary technology infrastructure assists physicians, patients, and licensed producers to comply with the rules of Health Canada.

Full-Scale Distributors, LLC ("FSD") – FSD, through its brand, Vapor Connoisseur, is a provider of custom, private-label vaporizers. FSD currently serves the needs of over 80 brands in the North American marketplace. Vapor Connoisseur is recognized for its high quality and innovative vaporization devices. Products are tailored to client needs, ensuring both safety and reliability.

Forward-Looking Statements:

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 Sunniva's plan to cultivate, produce and distribute a broad range of solutions focused on patients' needs and Sunniva's plans, timing and estimates of production for its facilities and Sunniva's plan and expectation for timing to complete its listing on the CSE, 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 final prospectus dated November 16, 2017 (the "Prospectus"), including

without limitation, dependence on obtaining and maintaining regulatory approvals, including acquiring and renewing state, local or other licenses and any inability to obtain all necessary governmental approvals licenses and permits to complete construction of its proposed facilities in a timely manner; engaging in activities which currently are illegal under US federal law and the uncertainty of existing protection from U.S. federal or other prosecution; regulatory or political change such as changes in applicable laws and regulations, including U.S. state-law legalization, particularly in California, due to inconsistent public opinion, perception of the medical-use and adult-use marijuana industry, bureaucratic delays or inefficiencies or any other reasons; any other factors or developments which may hinder market growth; Sunniva's limited operating history and lack of historical profits; reliance on management; and the effect of capital market conditions and other factors on capital availability; competition, including from more established or better financed competitors; and the need to secure and maintain corporate alliances and partnerships, including with customers and suppliers. Readers are encouraged to the review the section titled "Risk Factors" in the Prospectus and other disclosure documents 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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