



## **SUNNIVA INC. ANNOUNCES CLOSING OF LTYR LOGISTICS ACQUISITION**

**VANCOUVER, BC – December 31, 2018** - Sunniva Inc. (“Sunniva”, the “Company”, “we”, “our” or “us”) (**CSE:SNN**) (**OTCQB:SNNVF**), a North American provider of cannabis products and services, announced today the closing of the previously reported 100% acquisition of LTYR Logistics, LLC (“LTYR”) (the “Acquisition”), a California-based cannabis distribution company.

LTYR’s strong leadership and proven ability to effectively execute growth strategies and utilize its distribution capabilities within the cannabis space are the primary drivers of this acquisition. LTYR will play an instrumental role in driving Sunniva’s leadership position in California as a truly vertically integrated cannabis company across the entire value chain, from seed to sale, as it rolls out its Sunniva branded product line in the first quarter of 2019.

“We are pleased to have completed this transaction and we are looking forward to 2019 when the full impact of adding compliant distribution to our portfolio will be realized,” said Dr. Anthony Holler, CEO of Sunniva. “Since the original announcement six weeks ago, the LTYR management team has been integrated into our operations and have been working closely with our product development and marketing groups to solidify the strategy for our brand launch set for Q1 2019. We have been active in securing large quantities of clean biomass and we continue to manufacture and stockpile inventory for our initial brand launches early in the new year.”

### **LTYR – Additional Information**

- Revenue generating and operating in partnership under a third-party distribution license in Northern California
  - Fully automated sorting, weighing, packaging machines for large-scale distribution
  - Existing sales force and additional distribution platform for real-time delivery solutions
- LTYR to be compliant with “track and trace” regulations coming January 2019
- To utilize Sunniva’s existing Cathedral City distribution and delivery license
- Sunniva acquired a 4,200 square foot proposed distribution facility in Long Beach, CA that is being upgraded to be compliant for cannabis distribution activities

### **LTYR – Transaction Details**

- Acquisition of 100% of the equity interests of LTYR
- Consideration:
  - CAD \$156,359 in cash;
  - 1,436,949 Sunniva common shares at CAD \$3.71 per share; and 718,473 performance warrants that are convertible into Sunniva common shares for no additional consideration subject to achieving certain operational milestones at a price of CAD\$3.71 per share

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. Our ability to leverage our large-scale, purpose-built cGMP designed greenhouses, offering better quality assurance with cannabis products free from pesticides, uniquely positions Sunniva as a leading supplier of safe, high quality products at scale. Through our strategically positioned cultivation and extraction facilities in California, we are launching Sunniva branded products in various product categories including flower, pre-rolls, vape cartridges, and ultra pure concentrates. We have secured complaint distribution in California via our 100% ownership of LTYR that will ensure the placement of Sunniva branded products at licenced dispensaries throughout the state and we continue to aggressively pursue other upstream vertical opportunities. 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 news release includes statements containing certain "forward-looking information" within the meaning of applicable securities law ("forward-looking statements"), including, but not limited to, statements relating to the proposed benefits of the Acquisition and the plans for Sunniva. Forward-looking statements are frequently characterized by words such as "plan", "continue", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this news release. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The Company is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

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