REDFIELD, BLONSKY & STARINSKY, LLC

Sunniva Inc.
SNNVF
Investment Notes

Please read Disclaimer at bottom of these notes!

https://www.sunniva.com/

Sunniva Inc is Canada-based company engaged in alternative medicine. The Company is focused on the cultivation, production and distribution of a broad range of therapeutic solutions targeting two of the medical cannabis markets in the world: Canada and California. The Company operates through its wholly owned subsidiaries Sunniva Medical Inc (SMI), CP Logistics, LLC, Natural Health Services Ltd. The Company's initial greenhouse and manufacturing campus design in California aims to adhere to cGMP level standards and is expected to produce over 120,000kg of medical cannabis yearly, after phases 1 and 2 are complete.

All numbers are in CAD unless otherwise noted:

June 12, 2019 ($2.38) Exited our position at $2.38

I am no longer comfortable owning this company. Perhaps I will revisit in the future.

The company announced today, the intent to sell Sunniva Medical to CannaPharmaRx, Inc. (OTC Pink: CPMD) are pleased to announce that they have entered into a share purchase agreement dated June 11, 2019, pursuant to which Sunniva has agreed to sell Sunniva Medical Inc. ("SMI") to CannaPharmaRx in an all-cash transaction for CAD $20 million less certain outstanding liabilities in SMI, including the mortgage on the property. Net proceeds payable to Sunniva are anticipated to be approximately CAD $15.5 million. It is anticipated that KannaREIT will be funding the sale for CPMD.

CPMD is cash poor, although KannaREIT might be funding, so I am concerned (perhaps unrightfully so), and along with deteriorating cash, key-person exodus, I decided to move to the sidelines. This was a near 50% loss for our accounts.

June 6, 2019 ($2.60) Updated Thesis

Our thesis from April 8, 2019 is still relatively intact. I write that with the emphasis on a very high-risk investment. Over the last month we had several disturbing and possibly disruptive events. A Co-Founder and President resigned, as did the CFO. Typically, that is not a good sign. As of May 30, 2019, Sunniva had less than $2M CDN in cash. I am concerned that their build-out could be hindered, perhaps dilution, perhaps a reorganization, both of which probably would be detrimental to shareholders. Another possibility is successful raising of cash without the cause of pain to shareholders. Time will tell. I still like the low valuation, the meeting of revenue targets, and the heavy insider ownership. As with many cannabis companies, I am concerned with aggressive accounting, specifically in the revenue and capitalized cost areas.

This is a speculative investment, as are most pure play cannabis companies currently. We have a ~0.60% portfolio allocation (currently slightly more than 88,000 shares owned), with an average cost of $5.01 USD. Our thesis is basically a pure play cannabis investment, with a company that will potentially grow their revenues to commensurate their current market capitalization of ~$107M USD. We could see the possibility of F2020 revenues of $94M CAD ($70.50M USD, using a 75% currency conversion rate). This would be a F2020 forward price to sales ratio of 1.14X. At this point financial statement analysis and projections are rather meaningless. We must wait and see if they can increase revenues in a meaningful fashion, while at the same time avoiding massive dilution, toxic debt, or a reorganization.

MNP LLP are the auditors. They issued a going concern opinion. This is not unusual for start-up companies in the cannabis industry. Of course, one would prefer to not have such an opinion. MNP is one of the largest full-service chartered accountancy and business advisory firms in Canada. MNP is not a big 4 auditor. I like to see a company commitment to quality with a Big 4 auditor. The auditors are a large recognized firm.

Insiders own approximately 23.93% of the common stock, as of December 18, 2018. There has been little to none insider activity on the open market. I like seeing management have skin in the game, as often their interests are aligned with shareholders'.

As in all our cannabis research, we expect eventual world-wide legalization of cannabis, like the alcohol industry today. Canada is the first G-7 nation to legalize cannabis, and we expect other G-7's to follow suit, including the USA.

Again, this is a speculative investment, in a speculative industry, and cannabis is Federally illegal in the USA. The company could have execution risks, which are also inherent in the industry. The industry is in its infant stages, and there could be several catalysts to increase the share price over time. These catalysts could include legalization in the USA, changes in laws of a Canadian company selling to States in the USA, greater acceptance of cannabis as a long-term future industry in the USA and the world. On top of that, the potential exists the company is materially too optimistic in their forward guidance.

June 5, 2019 ($2.67) Discussion of year-end 2018 financials, Quarter ending March 31, 2019, and Annual Information Form (AIF):

Market capitalization using 40M shares outstanding is $106.8M USD.

Subsequent event private placement:

On April 15, 2019, the Company closed a non-brokered private placement of 4.3 million units of the Company for gross proceeds of $4.3 million. On April 24, 2019 the Company closed a second tranche of the 2019 Unit Offering 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 and 0.1897 common share purchase warrants ("Warrants") 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 respective closing dates.

Sunniva Brand Launch: The Company launched its new Sunniva-branded cannabis products Kyndness and Sun Fire in California in March 2019. The Company's third brand, Herbella, is expected to launch in Q2 2019.

On May 22, 2019, Leith Pedersen, President, Chief Strategy Officer and Co-Founder of the Company has resigned as an officer and a director, effective immediately, for personal reasons. My understanding from my studies, and personal experience, is that when a resignation is for *"personal reasons"* that is a euphemism for something terribly wrong has occurred. Ken Lay IIRC resigned for "*personal reasons*." There are others, but I would have to dig for them.

During a conference call on May 31, 2019, Anthony Holler, CEO, Chairman of the Board, and Co-founder of the company, stated *"As we move on to the next phase of Sunniva's evolution and with our focus shifting to California, we determined that it was time for him to step down."*

Holler also mentioned the resignation of their CFO, David Negus. He is being replaced by David Lyle. According to a Sunniva press release, *"Mr. Lyle previously served as CFO at Maxwell Technologies, Inc. ('Maxwell') (NASDAQ: MXWL) a global leader in the development and manufacture of innovative, cost-effective energy storage and power delivery solutions. Maxwell was recently acquired by Tesla, Inc."*

In the same press release was, *"As a result of the Company's stated plans to focus primarily on its California operations, the corporate functions will be relocated from Vancouver, Canada to Carlsbad, California."*

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.

The financials do have a Going Concern letter.

As of May 30, 2019, the company had 38,891,193 shares outstanding. The company lists total shares outstanding of 54.63M shares. All the additional shares are from options and warrants which are out of the money. For valuation purposes I will use 40M shares outstanding.

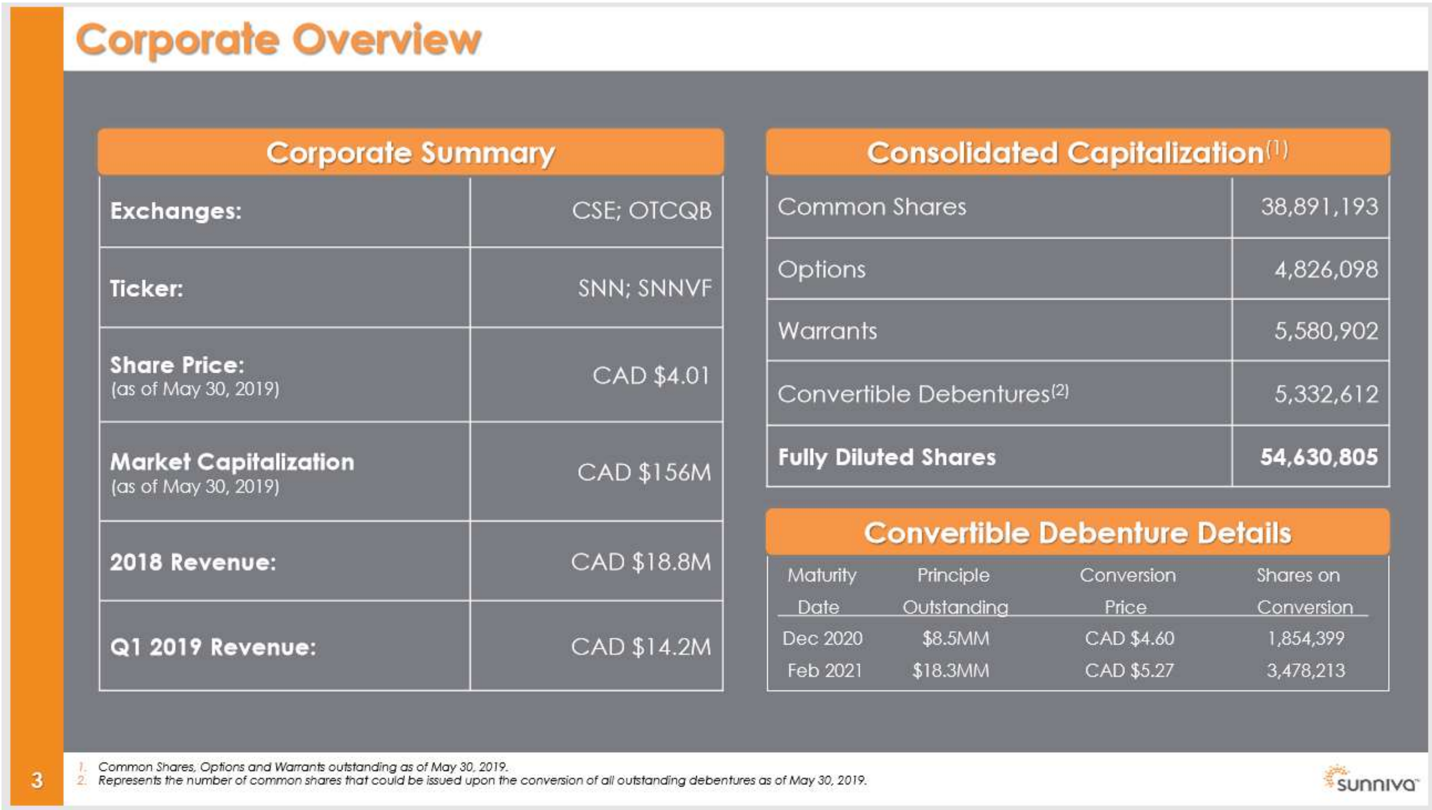

Figure 1 - Sunniva Presentation June 2019

You can see the perpetual declining stock price in the table below.

MARKET FOR SECURITIES

The outstanding Common Shares are traded on the CSE under the trading symbol "SNN". The following table sets forth the reported intraday high and low prices and monthly trading volumes of the Common Shares since the Common Shares began trading on the CSE.

Period	High Trading Price	Low Trading Price	Volume
January 10 – 31, 2018[(1)]	$17.93	$7.40	9,288,935
February 2018	$13.94	$9.29	4,072,276
March 2018	$11.37	$8.90	3,183,361
April 2018	$9.50	$7.61	2,531,789
May 2018	$9.26	$7.53	1,809,499
June 2018	$8.94	$7.63	2,094,014
July 2018	$8.35	$5.40	1,998,070
August 2018	$7.54	$4.72	3,172,466
September 2018	$6.84	$5.30	3,068,232
October 2018	$5.70	$4.31	4,402,720
November 2018	$5.66	$3.90	2,186,220
December 2018	$4.05	$2.83	2,352,247
January 2019	$5.42	$3.12	2,659,981
February 2019	$5.66	$4.40	3,183,376
March 2019	$5.25	$4.23	2,356,776

(1) The Common Shares began trading on the CSE on January 10, 2018.

April 22, 2019 ($3.72) A correction to our April 8, 2019 notes below

I mentioned on April 8, 2019, that Sunniva contacted me with questions. It turns out the contact was made via a Twitter account, which I in error, thought was Sunniva themselves.

April 8, 2019 ($3.92) An update to our notes dated April 5, 2019

Sunniva contacted me with the following comments to our notes below:

"Current outstanding shares for SNN are 38,752,021. Fully diluted is 53,294,954. Your revenue estimate for 2020 ($70.5M US) may be achievable in 2019. SNN has 2019 revenue guidance of $55-60M US from branded products alone.

You should check back later this week as we will be posting an updated enterprise value to 2019 estimated sales comparing Sunniva to its US peers. The results are pretty shocking."

I appreciate Sunniva reading our comment, as well as their clarification. Here are our changes to the first paragraph below.

This is a speculative investment, as are most pure play cannabis companies currently. We have a ~0.60% portfolio allocation (currently slightly more than 88,000 shares owned), with an average cost of $5.01 USD. Our thesis is basically a pure play cannabis investment, with a company that will potentially grow their revenues to commensurate their current market capitalization of ~$152M USD to ~$209M USD. The difference in current market capitalization is the price reflected at this writing, as well as the shares outstanding as disclosed to me by Sunniva on April 6, 2019 of 38.8M or using fully diluted shares including options and warrants of 53.3M shares. We could see the possibility of F2020 revenues of $94M CAD ($70.50M USD, using a 75% currency conversion rate). This would be a F2020 forward price to sales ratio of 2.96X, using the worst-case shares outstanding of the stated fully diluted and exercised shares outstanding. At this point financial statement analysis and projections are rather meaningless. We must wait and see if they can increase revenues in a meaningful fashion.

Please keep in mind that Sunniva did hint, if not state to us, that the revenue estimates we are using appear to low, as Sunniva has provided F2019 revenue guidance of $55M USD to $60M USD for Sunniva branded products only.

For the sake of conservatism, and our comfort zone, we are not increasing potential F2020 revenue expectations. The F2020 revenue estimate we mention is not an attempt to estimate, just an assumption to present, for a look at Price to Sales, and a valuation road map.

April 5, 2019 ($3.66) Quick thesis and 2-minute drill:

This is a speculative investment, as are most pure play cannabis companies currently. We have a ~0.60% portfolio allocation (currently slightly more than 88,000 shares owned), with an average cost of $5.01 USD. Our thesis is basically a pure play cannabis investment, with a company that will potentially grow their revenues to commensurate their current market capitalization of ~117M USD to ~$146M USD. The difference in current market capitalization is merely the shares outstanding at September 30, 2018 (MRQ) of 32M or using fully diluted shares including options and warrants of 40M shares. We could see the possibility of F2020 revenues of $94M CAD ($70.50M USD, using a 75% currency conversion rate). This would be a F2020 forward price to sales ratio of 2.07X, using the worst-case shares outstanding of the MRQ. At this point financial statement analysis and projections are rather meaningless. We must wait and see if they can increase revenues in a meaningful fashion.

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April 5, 2019 ($3.84) Sunniva issues press release, and reaffirms F2019 guidance:

I believe this guidance re-affirms guidance mentioned in our note below from February 18, 2019.

"- Q1 2019 revenue from Sunniva branded sales in California of CAD $10.0 million (USD $7.5 million)

- 2019 revenue estimate of CAD $72-$78 million (USD $55-$60 million) from Sunniva branded sales in California"

They wrote, "preliminary revenue of $14.0 million for the three-month period ended March 31, 2019. This represents a 169% increase over the $5.2 million in revenue generated in the comparative three-month period from 2018".

"In California, Sunniva began selling cannabis products in the first three months of 2019 through its wholly owned subsidiary, CP Logistics, LLC ("CPL") with preliminary revenue of $10.0 million (USD $7.5 million). Revenue was comprised of product sales from premium flower, vape cartridges and concentrates. In March, Sunniva unveiled its first three in-house brands, Sun Fire, KYNDNESS and Herbella, and announced that additional super premium brands will be launched in conjunction with production from the 325,000 sq. ft. purpose-built greenhouse under construction in Cathedral City, California (the "Sunniva California Campus").

The Company's other wholly owned subsidiaries, Full-Scale Distributors, LLC ("FSD") and Natural Health Services Ltd. ("NHS"), contributed first quarter 2019 revenue of $2.3 million and $1.7 million, respectively."

"Gross profit margin for the first quarter is expected to be between 30-35% due to operational ramp up costs in California. However, Sunniva reiterates its 2019 revenue estimate in California through CPL of $72-$78 million (USD $55-$60 million), with an estimated gross margin of 40-50%. This estimate does not include revenue from FSD, the Sunniva California Campus and NHS."

Review of 2017 Annual Information Form (AIF)

The company had a total of 101 full-time employees and 36 part-time employees. As at **December 15, 2018**, the Company had a total of 117 full-time employees, 10 part-time employees and 23 casual employees.

As at December 15, 2018, the executive officers and directors of the Company owned approximately 23.93% of the issued and outstanding Common Shares.

Anthony (Tony) F. Holler is a co-founder of the Company. Prior to this, Dr. Holler was the former CEO and founder of ID Biomedical which was acquired by GSK in 2005 for $1.7 billion and the former Chairman of Corriente Resources Inc. which was sold for approximately $700 million to CRCC-Tongguan Investment Co.

The Company entered into the Goleta Facility Lease. Dr. Anthony F. Holler, Chairman and CEO, has guaranteed the Goleta Facility Lease on behalf of the Company with an estimated liability as at September 30, 2018 of $1.3 million

The Company has entered into the Genetics Agreement with entities owned or controlled by Vinayak Shastry, the Company's President of U.S. Operations. The expenses paid by the Company pursuant to the Genetics Agreement are approximately USD$75,000 per month, paid on a month-to-month basis. Mr. Shastry's interest in the Genetics Agreement is approximately 50%.

February 18, 2019 ($3.91) Sunniva issues guidance on February 14, 2019

In 2019, Sunniva estimates revenue of USD $55-$60 million from sales of Sunniva branded products in California manufactured in their licensed extraction facility and from purchasing compliant third-party flower from strategic relationships that is packaged, branded, distributed and sold. Sunniva estimates combined gross margin of 40% - 50% from these product lines during the ramp up stage of operations in California. These revenues do not include Full Scale Distributors, LLC, and the large-scale high technology greenhouse in California or Natural Health Services Ltd.'s clinics in Canada.

October 3, 2018 ($4.19)

Saw a report from Fundamental Research Corp. They have altered guidance due to the company indicating the company reduced guidance from the production schedule from the California Campus. They lowered F2018 revenue projections to $20.09M, and F2019 to $207.37M. Their previous forecast was $48.22M for F2018, and $295.3M for F2019. They also use 32,045,699 as shares outstanding. They project F2020 revenues of $382M CAD.

STATEMENTS OF OPERATIONS (C$) - YE Dec 31st	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Revenue	20,092,500	207,365,625	382,168,341	484,537,949	566,317,210	642,685,290	714,841,110	784,098,932
COGS	11,540,938	71,407,422	151,470,215	186,451,608	216,054,943	246,903,091	279,360,399	313,878,482
Gross Profit	**8,551,563**	**135,958,203**	**230,698,126**	**298,086,341**	**350,262,266**	**395,782,199**	**435,480,711**	**470,220,450**
EXPENSES								
SG&A Expense	18,396,000	52,961,181	97,605,794	123,750,992	144,637,415	164,141,823	182,570,419	200,258,867
Leaseback Payments		10,875,000	10,875,000	10,875,000	10,875,000	10,875,000	10,875,000	10,875,000
Share-based Compensation	7,183,750	5,184,141	9,554,209	12,113,449	14,157,930	16,067,132	17,871,028	19,602,473
EBITDA	**- 17,028,188**	**66,937,882**	**112,663,123**	**151,346,900**	**180,591,921**	**204,698,244**	**224,164,264**	**239,484,109**
Depreciation	2,485,000	6,807,750	7,888,675	7,646,329	7,438,913	7,268,103	7,136,004	7,045,206
EBIT	**- 19,513,188**	**60,130,132**	**104,774,448**	**143,700,571**	**173,153,008**	**197,430,141**	**217,028,260**	**232,438,904**
Financing Costs	3,318,627	10,518,627	10,518,627	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000
EBT	**- 22,831,815**	**49,611,505**	**94,255,821**	**134,100,571**	**163,553,008**	**187,830,141**	**207,428,260**	**222,838,904**
Non-Recurring Expenses	- 557,000							
Taxes	- 302,000	13,395,106	25,449,072	36,207,154	44,159,312	50,714,138	56,005,630	60,166,504
Net Profit (Loss)	**- 21,972,815**	**36,216,398**	**68,806,749**	**97,893,417**	**119,393,696**	**137,116,003**	**151,422,630**	**162,672,400**

Source: FRC

September 25, 2018 ($4.42)

Valuation using 41M shares (slightly arbitrary) is $181.2M USD.

Price to F2020 estimated revenues of $370M X CAD current conversion rate of 0.77 is 0.63X. Of course, should Sunniva attain these revenue estimates, they would be priced quite inexpensively based on others in the industry.

September 18, 2018 ($5.15) Deal well below today's price is announced

Sunniva Inc. Announces $10 Million Bought Deal Public Offering

VANCOUVER, Sept. 18, 2018 /CNW/ - Sunniva Inc. ("Sunniva" or the "Company") (CSE:SNN) (OTCQX:SNNVF) is pleased to announce that it has entered into an agreement with Beacon Securities Limited ("Beacon") and Canaccord Genuity Corp. (together with Beacon, the "Co-Lead Underwriters"), on behalf of a syndicate of underwriters (together with the Co-Lead Underwriters, the "Underwriters"), to purchase, on a bought deal basis, 1,900,000 units (the "Units") in the capital of the Company at a price of $5.27 per Unit (the "Offering Price") for aggregate gross proceeds to the Company of $10,013,000 (the "Offering"). (All figures are in Canadian dollars unless otherwise stated).

Each Unit shall consist of one common share (a "Common Share") in the capital of the Company and one-half (1/2) of one common share purchase warrant (each whole warrant, a "Warrant") of the Company. Each whole Warrant shall entitle the holder thereof to acquire one Common Share at an exercise price per Common Share of $6.85 for a period of 24 months from the Closing Date (as defined below).

The closing of the Offering is expected to occur on or about October 10, 2018 (the "Closing Date") and is subject to the completion of formal documentation and receipt of regulatory approval, including the approval of the Canadian Securities Exchange. The net proceeds from the Offering will be used for working capital and general corporate purposes.

If the deal closes, then on October 10th, the shares are issued, and cash is received of $10M CAD. At the same time, the owner of the debt can buy 1/2 of the same number of units in common shares for a price of $6.85 CAD ($5.27 USD with 77% currency conversion). This can be done for 24 months after issue

It's all about valuation. The company is basically putting out another 2.85M shares (plus over-allotment if applicable, and it usually is), and receiving $10M CAD for the note, and if all are exercised, will receive $5.957M CAD ($4.59 USD with 77% currency conversion) for the warrants. I wouldn't expect them to be exercised unless they are well into the money, and even then, the buyer would probably wait for the 24 months for their own assurances. This does not appear to be a great deal of dilution, and there could be some positive reasons for doing this. Fully diluted share count is currently 40.7M and could go to 42.63M. This is only 4.5% dilution, plus getting cash, so perhaps all is not awful.

1.9M shares will be issued (plus over - allotment).
0.950M warrant shares will be issued shares will be issued (plus over-allotment)

September 13, 2018 ($4.52) Increased our position to a 0.75% total portfolio position. We bought 57K shares at an average price of $4.71.

Market cap of < ~$200M or less. Projected F2020 revenues of > $300M. Yet, not from guidance, but you can see if they sell via production estimates that is attainable.

The company has recently been dissed from a well-respected and talented cannabis newsletter writer. One reason was because they can't fully discuss confidential financing on a call, *“Yes, we continue to work with our lending partners, and we are talking with a variety of financial institutions in funding that Canadian facility. That’s our status right now. We continue to work towards that.”* I found that to be an acceptable reason.

The same newsletter also was concerned because even though they have such huge revenue possibilities, they missed on vape revenues, and would not accept the excuse of Sunniva blaming China for this ~$1M revenue decline. *"They blamed the huge decline in the vape pen biz due to seasonality, attributing it to ordering patterns impacted by the Chinese New Year in Q1."* We are talking a miss of revenues of $1M, due to factory closures in China. Is that relevant to their future? It seems to me that a company with such huge possibilities shouldn't be immediately punished for a timing event. Let's face it, if they don't sell > $50M in F2019, then there could be issues, but for such a small miss, I don't get it.

September 12, 2018 ($4.75)

All numbers are in CAD unless mentioned otherwise

I will use Sunniva's calculation for shares outstanding, as I was coming up with less shares.

Capital Structure*
CSE:SNN
OTCQX:SNNVF

	Shares
Common Shares Outstanding	32,045,697
Warrants	1,920,038
Options	4,380,804
Convertible Debentures	2,331,052
Fully Diluted Shares Outstanding	40,677,591

*As of August 29, 2018

41M shares rounded, USD price of $4.75 equates to market cap of $194.75M USD.

The following are several reports I have seen. The company has given no guidance, so these reports should be taken with a grain of salt. Yet, if we see revenues approach $250M CAD, even in F2019, the company could very possibly grow into their valuation, or even pierce it materially on the upside.

M Partners projects revenues as follows in a July 2018 report (I have not seen an update since 2Q18 earnings release):

	F2018	**F2019**	**F2020**
Projected Revenues	$27M	$230M	$371M

Beacon Securities projects revenues as follows in a July 2018 report (I have not seen an update since 2Q18 earnings release):

	F2018	**F2019**	**F2020**
Projected Revenues	$27.3M	$231.5M	$396.9M

Fundamental Research Corp. projects revenues as follows in an August 1, 2018 report (I have not seen an update since 2Q18 earnings release):

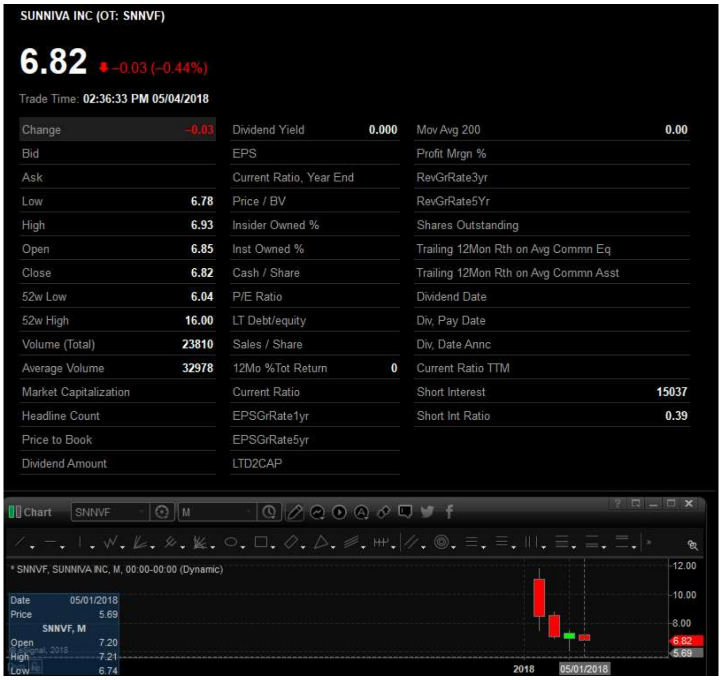
	F2018	**F2019**	**F2020**
Projected Revenues	$48.2M	$295.1M	N/A

This remains a speculative, low conviction investment. Funding for the Canadian facility is needed, and this is how Anthony Holler responded to a funding question. *"Yes, we continue to work with our lending partners, and we are talking with a variety of financial institutions in funding that Canadian facility. That's our status right now. We continue to work towards that."*

June 27, 2018 ($5.90) Initiated a small position today with an average cost of $5.86.

We established a position of ~0.33% of a portfolio, buying ~25K shares, for most accounts with portfolios of $203K or greater. This is a high risk, low conviction investment in the cannabis sector.

May 4, 2018 ($6.82)



Market cap using 40.5M shares outstanding is $276.2M.
Beacon Securities projects F2020 revenues of $396.9M.

Here is a reddit post, where the author alleges severe under-valuation
https://www.reddit.com/r/weedstocks/comments/82mivx/sunniva_snn_napkin_math/

The deepdive.ca wrote a positive article on April 26, 2018.
http://thedeepdive.ca/sunniva-an-undercovered-bi-national-opportunity/

Conclusion of the article:

In conclusion, Sunniva is a well-managed company that is positioning itself to be a dominant player on the West Coasts of both the US and Canada. They are building facilities that are second to none, focusing on driving efficiencies, de-risking their business model through supply contracts, and will be one of the largest producers of cannabis in the world within 6 months.

Sunniva faces many of the same risks that the entire sector faces, but appears to be better prepared than most of their peers. We think the market has under appreciated the supply deal negotiated with Canopy, and has failed to appreciate that by positioning themselves as a low-cost leader and a premium brand in both the US and Canada, they could generate earnings in line with any of Canada's largest LP's. Furthermore, upon news of increased legal clarity in the US, CEO Dr. Anthony Holler has stated that they plan to expand and seek new acquisitions, so by year end there could be several more pieces to the Sunniva puzzle.

That being said, they have not produced any cannabis yet, so this is a speculative play. But frankly, so is every cannabis company in existence at this time. Although there is an added element of risk due to their US operations, there is also significantly more opportunity. And given that the US appears to be on the verge of legal protection for cannabis operators, strongly positioned US cannabis assets could do very well over the coming years. Considering all of these factors, the pipeline of catalysts, and the current valuations of their Canadian peers, we think of Sunniva as very attractive at its current price level.

Presentation from their website:

Current Capital Structure

CSE:SNN
OTCQX:SNNVF

	# Shares
Common Shares Outstanding	31,735,410
Warrants	1,996,240
Options	4,166,054
Convertible Notes	2,495,028
Fully Diluted Shares Outstanding	40,392,732

sunniva

Review of 2017 Annual Financial Statements and MD&A:

All amounts are in CAD

MNP LLP is the accountant. They issued a going concern. Of course; a Going Concern opinion is issued. This is merely letting the investor know that without additional funding, the company would be insolvent. Subsequent to December 31, 2017, the Company closed a bought deal public offering for aggregate gross proceeds of $27.8M.

Balance sheet shows current ratio < 1X.

Shareholders' equity is $73.95M. Tangible equity is $31.25M.

Annual revenues of $16.1M reported.

Essentially an operating loss as reported of ($20.5M). One could argue the operating loss was only ($14.2M).

Loss from operations		(14,214)
Other expenses		
Fair value changes in derivative instruments	13, 17	6,321
Foreign exchange (gain) loss		(388)
Interest and other expenses		313
Loss before income taxes		(20,460)

Shares outstanding for valuation purposes:

I am going to assume my calculation is incorrect, as the company has published data that does not concur, and ~9.5M more shares.

Common shares outstanding December 31, 2017	26,636,073
In the money warrants (last to expire 6/30/18)	346,614
Finance warrants (last to expire 7/19/19)	500,000
Warrants in sale and leaseback (expiring 4/23/18)	1,091,259
Stock Options (in the money)	2,365,535
Shares outstanding for valuation purposes	**30,939,481**

Yet after that rigorous determination of shares outstanding, I found this in their "Fact Sheet."

INVESTMENT DATA

Canadian Listing	CSE:SNN
US Listing	OTCQX:SNNVF

Securities Data	
Common Shares	31,735,410
Outstanding Warrants	1,996,240
Options	4,166,054
Convertible Notes	2,495,028
Fully Diluted Shares Outstanding	40,392,732

Segmented 2017 Revenues:

December 31, 2017	Patient Counselling	Merchandising	Corporate	Total
Revenue	$11,291	$4,781	$-	$16,072
Cost of goods sold	4,783	4,606	-	9,389
	6,508	175	-	6,683

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