



PUREK HOLDINGS CORP. EXPANDS FOOTPRINT WITH GLOBAL PET CARE MARKET ACQUISITION OF 'BUDAPETS' ALL-NATURAL PET WELLNESS BRAND

PureK Holdings Expands Plant-Based Wellness Portfolio Adding BudaPets to PureKana Pets Family

Vancouver, BC – January 11, 2020 – PureK Holdings Corp. (the "Company" or "PureK") (TSX Venture: PKAN), along with its majority-owned CBD subsidiary company, PureKana LLC, ("PureKana"), is pleased to announce that it has executed a binding letter of intent ("LOI") to acquire Nirvana Group, LLC ("Nirvana"), a Florida-based company specializing in the development, manufacturing, and distribution of all-natural pet wellness products and which includes the BudaPets brand.



According to a recent report from Fior Markets, the global pet care industry is expected to reach approximately \$358.6 billion by 2027, at a compound annual growth rate (CAGR) of six percent.¹ Another recent report by Mordor Intelligence found that significant opportunity exists in the U.S. pet care market as consumer demand for all-natural pet products continues to increase, with consumers becoming ever more conscious about maintaining their pets' health.

The BudaPets brand joins the Company's existing pet care portfolio, which includes PureKana Pet, a division of the Company's market-leading CBD company, PureKana. As previously announced in a news

¹ <https://www.globenewswire.com/news-release/2020/09/28/2099985/0/en/Global-Pet-Care-Market-Is-Expected-to-Reach-USD-358-62-billion-by-2027-Fior-Markets.html>

release dated December 31, 2020, PureK also recently executed a binding LOI to acquire No B.S. Skincare, the industry-leading clean-formula skin care and beauty company. The Company's planned acquisition of both brands serves to strengthen its foothold in some of the fastest-growing global market categories.

"We are excited to welcome the BudaPets brand into the PureK Holdings portfolio to address a broader base of consumers as well as the wellness needs of their best friends," said Kathy Casey, CEO of PureK. "BudaPets fits perfectly into PureK Holdings' growth strategy focusing on the global pet care, skincare, and plant-based food and beverage categories. BudaPets now joins the PureKana and No B.S. brands in our mission to lead category innovation where nature meets science."

BudaPets' product line includes Calming, Hip and Joint, Omega Bites, and Dental Chews products. All of BudaPets' products are created with the highest-quality CBD from hemp extract and natural ingredients to improve the quality of life of pets and of livestock. All BudaPets products are manufactured and processed in the United States and adhere to strict manufacturing standards. In January 2020, BudaPets received National Animal Supplement Council (NASC) certification for its natural hemp-derived pet supplement product line, one of the highest-level certifications in the pet care industry.

"We are thrilled to join PureK Holdings Corp. and their growing family of all-natural, plant-based wellness brands," said Diana Albadan, founder of BudaPets. "We are dedicated to promoting the well-being of pets by creating high-quality, natural products informed by science. BudaPets looks forward to working with the PureK Holdings Corp. family of brands to provide consumers with both animal health and natural wellness products on a singular platform."

Under the terms of the binding LOI, PureK will acquire all of the issued and outstanding membership units of Nirvana, including the BudaPets brand. PureK will issue USD\$1.5 million in unsecured convertible debentures, with 3.25% non-compounding interest per annum, with a maturity date that is twenty-four (24) months following the date of closing. Current members of Nirvana will have the option, on a monthly basis, to convert any portion of the convertible debentures into common shares of the Company ("Common Shares") at a price equal to the 15-day volume weighted average price of the Common Shares on the TSX Venture Exchange as of the date of conversion. In addition, current members of Nirvana will be eligible to receive earnout compensation of USD\$500,000, payable in Common Shares, if Nirvana's net revenue equals or exceeds USD\$1 million for the 2021 fiscal year, and an additional USD\$1 million payable in Common Shares if Nirvana's net revenue exceeds USD\$2.5 million for the 2022 fiscal year. The transactions are at arm's length, and, other than the issuance of the unsecured convertible debentures noted above, there is no long-term debt being assumed. The parties intend to complete these transactions as soon as is practicable and will use commercially reasonable efforts for the closing to occur no later than January 31, 2021. Closing of the proposed acquisition will be subject to customary closing conditions, including approval of the TSX Venture exchange.

About PureK Holdings Corp.

PureK Holdings Corp. indirectly owns a 50.1% equity interest in PureKana. PureKana is recognized as a Top 10 cannabidiol ("**CBD**") brand in the United States and has operated a profitable direct-to-consumer online business since its inception in 2017. Its product lineup includes high quality CBD that can be consumed in the form of tinctures, capsules, topicals, patches, and gummies. PureKana's brand and direct-to-consumer marketing expertise has helped to establish PureKana as one of the leading online CBD brands in the United States. The online presence is now being expanded into broader retail outlets, as well

as into additional countries. PureKana operates legally in the jurisdictions where it carries on business. PureKana's website is: <https://purekana.com/investor-relations/>

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Forward-Looking Statements and Information

Certain statements contained in this news release constitute "forward-looking information" and "forward-looking statements" as such terms are used in applicable Canadian securities laws. Forward-looking statements and information are based on plans, expectations and estimates of management at the date the information is provided and are subject to certain factors and assumptions, including, that the Company's financial condition and development plans do not change as a result of unforeseen events and that the Company obtains regulatory approval. PKAN's obligation to close will be subject to TSX Venture Exchange approval and standard closing conditions for transactions of this nature, including, among other things, (i) accuracy of representations and warranties and compliance with covenants and obligations, (ii) no material adverse effect, (iii) the absence of litigation, restraining orders, injunctions or other legal restraints and (iv) receipt of required regulatory and third party consents, legal opinions, officers' and secretary's certificates, (v) signing of employment agreements, or approval of existing employment agreements with key individuals as determined by the Company (which employment agreements may include non-competition and non-solicitation restrictions, among other provisions), (vi) other customary closing documentation and conditions. Forward-looking statements and information are subject to a variety of risks and uncertainties and other factors that could cause plans, estimates and actual results to vary materially from those projected in such forward-looking statements and information. Factors that could cause the forward-looking statements and information in this news release to change or to be inaccurate include, but are not limited to, the risk that any of the assumptions referred to prove not to be valid or reliable, that occurrences such as those referred to above are realized and result in delays, or cessation in planned work, that the Company's financial condition and development plans change, and delays in regulatory approval, as well as the other risks and uncertainties applicable to the CBD industry and to the Company, as set forth in the Company's Filing Statement in respect of its qualifying transaction filed under the Company's profile at www.sedar.com. The Company undertakes no obligation to update the forward-looking statements and information, other than as required by applicable law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.