



PUREK HOLDINGS CORP. SIGNS DEFINITIVE AGREEMENT TO ACQUIRE 'BUDAPETS' ALL-NATURAL PET WELLNESS BRAND

BudaPets to Join PureKana Pet in PureK Holdings Corp's Growing Portfolio of Holistic Wellness and Plant-Based Natural Brands

Vancouver, BC – February 17, 2021 – PureK Holdings Corp. (the "**Company**" or "**PureK**") (TSX Venture: PKAN) is pleased to announce that it has executed a definitive agreement (the "**Agreement**") with Felicity Management Group LLC, Rhodes Management Corp. and 2443904 Ontario Inc. (collectively, the "**Sellers**"), to acquire all of the outstanding membership interests of 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, LLC ("**PureKana**"). As previously

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>

announced in a news release dated February 1, 2021, PureK and PureKana also recently executed a definitive agreement 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."

The Agreement

Under the terms of the Agreement, 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 (the "**Maturity Date**"). Under the terms of the convertible debenture, the Sellers 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 higher of (i) the 15-day volume weighted average price of the Common Shares on the TSX Venture Exchange as of the date of conversion; or (ii) CAD \$10.50. Any portion or all of the convertible debentures which have not been so converted into Common Shares shall be payable in cash at the Maturity Date.

In addition, current members of Nirvana will be eligible to receive earnout compensation of USD\$500,000, payable in Common Shares, if sales from Nirvana's products equals or exceeds USD\$1 million for the 2021 fiscal year, and an additional USD\$1 million payable in Common Shares if sales from Nirvana's products 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. Closing of the acquisition is subject to customary closing conditions, including approval of the TSX Venture Exchange.

About PureK Holdings Corp.

PureK Holdings Corp. leads an international omni-channel platform with diversified assets in the emerging plant-based and holistic wellness consumer product categories. The company's mission is focused on leading innovation for the informed Millennial and Generation Z generations in the rapidly growing plant-

based, natural, and clean ingredient space. The company continues to focus on expansion into high-growth consumer product categories including CBD products, plant-based food and beverage, and the global pet care and skin care industries. For more information on PureK Holdings Corp., please visit <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) 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.