



PUREK HOLDINGS CORP. TO ACQUIRE NO B.S. SKINCARE, A CLEAN INGREDIENT SKINCARE COMPANY

No B.S. Skincare to Join PureK Holdings' Portfolio of Holistic Wellness and Plant-Based Products

Vancouver, BC – December 31, 2020 – PureK Holdings Corp. (the "**Company**") (TSX Venture: PKAN), along with its majority-owned CBD subsidiary company, PureKana LLC, ("**PureKana**"), is pleased to announce that effective today it has entered into a binding letter of intent ("**LOI**") with DTC Brands, LLC to acquire No B.S. Life, LLC ("**No B.S. Skincare**"), the industry-leading clean-formula skin care and beauty company. The transaction is an arm's length acquisition and all figures in this news release are in U.S. dollars, unless otherwise indicated.

Under the terms of the binding LOI, PureK Holdings Corp. and its PureKana subsidiary will acquire all of the issued and outstanding membership units of No B.S. Life, LLC, with 65% of the purchase price to be paid by PureK Holdings Corp. and 35% to be paid by PureKana, with resulting proportional ownership interests. PureK Holdings Corp. will issue \$4 million payable in unsecured convertible debentures, with 3.25% non-compounding interest, payable in cash or common shares of PureK Holdings Corp. at the discretion of PureK Holdings Corp. on or before twenty-four (24) months following the date of closing. A cash payment of \$500,000 will be made within six (6) months of the date of closing. Current members of DTC Brands, LLC will be eligible to receive earnout compensation of \$1 million if the company's revenues and EBITDA equal or exceed \$6 million and \$360,000, respectively, in fiscal 2021, and/or \$2.5 million if the company's revenues and EBITDA exceed \$8 million and \$480,000, respectively, in fiscal 2022. 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.

No B.S. Skincare was founded to provide consumers an all-natural and environmentally friendly alternative to the excesses of the beauty industry. The company's products are made with potent, plant-based and scientifically proven natural ingredients and – unlike other skincare solutions - with absolutely no harmful chemicals like parabens, sulfates, or phthalates, and no synthetic fragrances. All of the company's products are responsibly made in America and are never tested on animals.

"We are thrilled about joining forces with PureK and leveraging the synergies to catapult the No B.S. business to the next level, while extending our mission to serve consumers with radically clean products that deliver powerful results," said Diana Briceno, CEO of No B.S. Skincare.



Key focuses of growth for PureK Holdings Corp. are in the skincare and pet categories, global market entries and omni-channel expansion. With the addition of No B.S. Skincare to its portfolio, PureK Holdings Corp. is positioned to capitalize on what is expected to be strong growth in both the global skin care and beauty markets and in the CBD consumer products market. The global CBD-infused skincare market is expected to reach \$3.2 billion by 2025, with an estimated compound annual growth rate (CAGR) of over 25% in that time, according to Allied Market Research. The global skincare market was estimated to total approximately \$198.3 billion by 2025, according to Statista. Moreover, the Company sees significant tailwinds in its current plant-based portfolio. According to Meticulous Research, the plant-based products category is forecast to reach \$74.2 billion by 2027, growing at a CAGR of 11.9%.

“No B.S. Skincare’s unique approach to its portfolio is a perfect fit to fuel PureK Holdings’ holistic wellness growth strategy,” said Kathy Casey, CEO of PureK Holdings Corp. “We see synergies in our joint mission to democratize plant-based wellness through the powerful combination of nature and science. Their extremely talented team will indeed expand our expertise and capability.”

As previously disclosed on December 22, 2020, the Company secured \$10 million in loan financing under the Federal Reserve’s Main Street Lending Program. The loan provides PureKana LLC with low-cost capital to grow its business in its core CBD and evolving wellness products both within the US as well as within select international markets. For more information, please see the Company’s news release dated December 22, 2020.

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 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 Purchasers (which employment agreements will 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.

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