



PUREK HOLDINGS CORP., A PLANT-BASED WELLNESS COMPANY, SIGNS DEFINITIVE AGREEMENT TO ACQUIRE NO B.S. SKINCARE, A CLEAN INGREDIENT SKINCARE COMPANY

No B.S. Skincare Products to Become Available on Target.com Beginning in February 2021

Vancouver, BC – February 1, 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 it has executed a definitive agreement (the "**Agreement**") with DTC Brands, LLC (the "**Seller**") to acquire all of the outstanding membership interests of No B.S. Life, LLC ("**No B.S. Skincare**"), an industry-leading clean-formula skin care and beauty company. All figures in this news release are in U.S. dollars, unless otherwise indicated.

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

In addition to the execution of the Agreement, the Company is pleased to announce that all No B.S. Skincare products, including its Award-Winning Caffeine Eye Cream and Retinol Night Cream, Charcoal Peel-Off Mask, Moisturizers, Serums, Toner, Cleanser, and Acne Patches, will become available through the website of major retailer Target beginning on or about February 28, 2021.

No B.S. Brands



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.”

The Agreement

Under the terms of the Agreement, PureK Holdings Corp. and its majority-owned subsidiary, PureKana, will acquire all of the issued and outstanding membership interests 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., with a maturity date of twenty-four (24) months following the date of closing. Under the terms of the convertible debentures, the Seller has the option, on a monthly basis after the issuance of the convertible debentures, to convert any portion thereof (including accrued interest on such portion) into common shares of the Company, provided that the Seller shall not hold, at any time, in excess of 7% of the then current issued and outstanding common shares of the Company. 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. The conversion price of the convertible debentures shall be the higher of CAD\$10.00 and the volume weighted average price of the Company's shares determined based on the 15 trading days immediately preceding the date of notice of conversion (the "**VWAP**"). In addition, the Company will make a cash payment of \$500,000 within six (6) months of the date of closing. PureKana has paid a refundable deposit in the amount of \$1.5 million and will pay an additional \$1 million in cash on closing.

The Seller 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. Any earnout amounts will be payable in cash or in the form of common shares of the Company, valued using the higher of CAD\$10.00 and the VWAP at the time of payment.

The Company's obligation and ability to close the acquisition is subject to TSX Venture Exchange approval and standard closing conditions for transactions of this nature.

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 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 closing conditions in the Agreement are satisfied or waived and the acquisition of No B.S. Skincare will be completed, that regulatory approval of the acquisition of No B.S. Skincare will be obtained, 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. The Company's obligation and ability to close the acquisition is 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) receipt of required regulatory and third party consents, officers' and secretary's certificates, and (iii) 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.