

PURATION, INC.

Survey Results Confirm PURA New Products Should Be Big Sellers

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PURATION, INC. (OTC – PURA – \$0.047)

Price Target: \$0.25

Rating: Speculative Buy

COMPANY SNAPSHOT

Puration, Inc. is a leading Texas-based, CBD-infused beverage provider. The Company's flagship product, *EVERx*, which was introduced in 2017, targets the sports nutrition market. Puration plans to introduce new beverages as well as grow its product portfolio organically as well as through targeted acquisitions. The Company has spun off its cannabis cultivation segment to focus its efforts exclusively on its high-growth core CBD-infused beverage business. As part of the spin-off, the acquirer, NOUV, is set to provide a stock dividend to PURA shareholders in the near future.

KEY STATISTICS

Price as of 9/17/19	\$0.047
52 Week High – Low	\$0.25 - \$0.0286
Est. Shares Outstanding	602.4M
Market Capitalization	\$28.2M
Average Volume	2,000,157
Exchange	OTCPK

COMPANY INFORMATION

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14065 Proton Road
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Phone : 800.861.1350

INVESTMENT HIGHLIGHTS

Conclusion: GSCR is in the midst of completing a month-long survey of CBD users and the interim results to date are fascinating. As detailed below, the survey results from across geographies, ages, and genders, serve as a confirmation that two of PURA's new offerings could be huge sellers for the Company.

The survey took a very direct approach in its queries. Our 14- question survey of self-acknowledged CBD users queried participants regarding their CBD usage, current preferences, why they used CBDs, what was important in the purchase of the products and the key negative inherent in the products.

Our survey objective of generating responses that can determine future popularity and sales of CBD-infused tea, coffee, beer, and water was a huge success. Only ___ had tried a CBD-infused beverage but the respondents were enthusiastic about the products.

And the winner is...tea! Of those participants that expressed an interest or desire to try for the first time or as an occasional user of CBD-infused tea, our results showed that ___ preferred tea.

Survey participants' background is diverse but responses are strikingly similar. Despite age and geographic diversity, the majority of users said they use CBD products to relieve anxiety and/or inflammation.

PURA Is the Best Positioned CBD-infused Provider. With a popular CBD-infused energy water selling millions worth of beverages this year, to the expansion into anti-anxiety and anti-inflammatory characteristics of what looks to be a wildly popular CBD-infused tea, PURA has the key bases covered. Clearly, the stock doesn't reflect the inherent prospects that lie herein. Our target remains \$0.25.

INTERIM CBD SURVEY KEY TAKEAWAYS

We have been able to confirm the identities of 85 of the 108 current respondents and we believe that when the survey ends on September 30th, we may have as many as 250 identified respondents. Two thirds of the survey participants hail from Florida, New York, or Maryland. However, we did have responses from CBD users in Minnesota, Texas, and California. While these figures and responses will be further evaluated, the current data is fascinating and bodes well for PURA. We have elected to introduce the data by of the two largest age groups--the reasoning behind this presentation will become clear in a moment.

Age Group: 25-34

- This group accounted for 42% of all respondents.
- The group is nearly split in half, M/F.
- When asked why they buy CBD-infused products, the most popular response was "pain relief."
- The group was evenly split when asked if they have ever consumed CBD-infused beverages.
- When asked the favorite CBD-infused beverage product they have consumed before or would purchase regardless of experience with the category, the first choice was tea, followed in a bunched group by water, coffee and beer.
- The primary reason why they chose one beverage over another was flavor/taste and how they would taste if infused with CBDs.
- The most common favorite CBD product was oil, followed closely by gummies.
- Not surprisingly, there were virtually no negative responses regarding effectiveness. The biggest issue? Price.

Age Group: 18-24

- This group accounted for 34% of all respondents.
- The group had a slight majority of women respondents.
- When asked why they buy CBD-infused products, the most popular response was "treat anxiety," or a similar term.
- A slight majority of the group had not consumed CBD-infused beverages but nearly all were enthusiastic about the prospects, particularly potential flavor and the opportunity to drink their favorite beverages with CBD on a regular basis.
- When asked the favorite CBD-infused beverage product they have consumed before or would purchase regardless of experience with the category, the majority first choice was tea, with water and beer closest behind it. A few responses were very effusive about water.
- Like the group above, flavor and taste were big reasons for the beverage selection.
- The most common favorite CBD product was gummies, which is not really a surprise.
- As with the group above, there were virtually no negative responses regarding effectiveness. The biggest issue? Price.

THE BOTTOM LINE

CBD users are staunch supporters and believers in the health benefits of the products in which they consume. And they want more---more products in different forms, but flavor and potency are important. The younger set, as has been discussed much in recent years, is struggling with anxiety is largely using the products to self-treat. The older the user, the more they use it for to treat pain and inflammation. Interestingly, we did not receive a lot of responses regarding the natural properties of CBDs---rather the emphasis was effectiveness. In our view, this is telling. It is a signal that CBD-infused products are mainstream products, not just offerings used by those seeking natural remedies.

We look forward to updating investors with full survey results in the coming weeks. In the meantime, this survey's data has provided us with even greater confidence that PURA's products are the right offerings for the right market at the right time. The diversity is spot-on, and if flavor holds, and marketing succeeds as it has with the EVERx water, PURA is primed to be a sales leader and product innovator in this segment.

RECENT TRADING HISTORY FOR PURATION, INC.

(Source: www.Stockta.com)



SENIOR ANALYST: ROBERT GOLDMAN

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

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