



PUREK HOLDINGS CORP. SECURES USD \$10 MILLION LOAN FINANCING

Loan Proceeds to Be Used for M&A to Accelerate Growth of PureK's Plant-Based Portfolio

Vancouver, BC – December 22, 2020 – PureK Holdings Corp. (the "**Company**") (TSX Venture: PKAN), formerly AF1 Capital Corp., is pleased to announce that its subsidiary, PureKana, LLC ("**PureKana**"), has secured USD \$10 million in loan financing under the Main Street New Loan Facility ("**MSNLF**"), a component of the Federal Reserve's Main Street Lending Program.

The Federal Reserve established the Main Street Lending Program to support lending to for-profit businesses and nonprofit organizations that were in sound financial condition before the onset of the Covid-19 pandemic.

Under the terms of the loan, secured in accordance with the general terms of the MSNLF, the USD \$10 million loan is for a five-year term and features an adjustable rate of LIBOR (1- or 3-month rate). Interest payments will remain deferred for one year, with any unpaid interest to be capitalized, and principal payments on the loan are deferred for two years. The loan provides for principal amortization of 15% at the end of the third year, 15% at the end of the fourth year, and a balloon payment of 70% at maturity at the end of the fifth year. Prepayment of the loan is permitted without penalty. The Company incurred transaction and original fees of 2%, or USD \$200,000, as well as a loan brokerage fee of USD \$100,000.

The Company intends to use the proceeds of the loan for working capital, including for inventory purchases to support US sales expansion and international market expansion, mergers and acquisitions, marketing and other operating expenses of PureKana.

"We are delighted to have qualified for and obtained this loan on the strength of our track record of profitability and positive EBITDA," said Brian Meadows, Chief Financial Officer of PureK Holdings Corp. "This loan provides PureKana with low-cost capital to grow its business in its core CBD and evolving plant-based wellness products, both within the United States as well as within select international markets."

For more information about the Main Street Lending Program please visit: <https://www.federalreserve.gov/monetarypolicy/mainstreetlending.htm>.

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. PureKana operates legally in the jurisdictions where it carries on business. PureKana's website is: <https://purekana.com/>.

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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. 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.