

## Kiario Announces Minimum \$3 Million Marketed Private Placement of Senior Unsecured Convertible Debenture Units

**Vancouver, British Columbia – September [30], 2021** – Kiario Holdings Corp. (TSXV: KO) (“**Kiario**” or the “**Company**”) is pleased to announce that it has appointed Research Capital Corporation (“**RCC**”) as lead agent and sole bookrunner, on behalf of a syndicate of agents (collectively with RCC, the “**Agents**”), to sell, by way of a private placement on a commercially reasonable best efforts basis, a minimum of 3,000 convertible debenture units of the Company (the “**Debenture Units**”) at a price of \$1,000 per Debenture Unit, for minimum gross proceeds of \$3,000,000 (the “**Offering**”).

Each Debenture Unit consists of (i) one 8% senior unsecured convertible debenture (the “**Convertible Debenture**”) having a face value of \$1,000 and convertible into common shares of the Company (each a “**Common Share**”) at a conversion price of \$0.13 per Common Share (the “**Conversion Price**”) and maturing three years from the Closing Date (as defined below) (the “**Maturity Date**”); and (ii) 3,846 Common Share purchase warrants of the Company (the “**Warrants**”). Each Warrant entitles the holder thereof to purchase one Common Share at \$0.16 per Common Share for a period of three years following the Closing Date.

If, at any time following 1 year from the date of closing of the Offering and prior to the Maturity Date, the thirty (30) day volume weighted average price (VWAP) of the Common Shares on the TSX Venture Exchange (the “**Exchange**”), or other principal exchange on which the Common Shares are listed, is greater than \$0.26, the Company shall have the right but not the obligation, at the Company’s option, to convert some or all of the then outstanding Convertible Debentures, less any applicable withholding taxes, into Common Shares at the Conversion Price (the “**Accelerator Transaction Conversion Option**”), provided that the Company notifies the holders of the Convertible Debentures with not less than thirty (30) days’ notice prior to the date the conversion is effected. To the extent, Kiario elects a partial conversion pursuant to the Accelerator Transaction Conversion Option, such conversion will be applied pro rata to all then outstanding Convertible Debentures.

In addition, the Company will grant the Agents an option to purchase up to 15% of additional Debenture Units exercisable in whole or in part, at any time on or prior to the date that is 30 days following the Closing Date. To the extent this over-allotment option is exercised, the Company’s existing control block shareholders will be permitted to increase their participation in the Offering, if any, to maintain their fully diluted current equity interest.

The net proceeds from the Offering will be used for working capital and general corporate purposes.

“We are excited to welcome Research Capital, another major institutional partner, to help meet the demand for Kiario’s unique cannabis retail experience. The additional funds will align Kiario’s best in class operating standards across a growing portfolio of stores, including the 10 locations we recently acquired in Ontario,” said Daniel Petrov, Chief Executive Officer of Kiario.

Closing of the Offering is expected on or about October 28, 2021, or such later or earlier date as the Company and RCC may agree upon (the “**Closing Date**”), and is subject to regulatory approval including that of the Exchange.

The Debenture Units to be issued under the Offering will be offered by way of private placement in each of the provinces of Canada and such other jurisdictions as may be determined, in each case, pursuant to applicable exemptions from the prospectus requirements under applicable securities laws. The securities being offered have not, nor will they be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons in the absence of U.S. registration or an applicable exemption from the U.S. registration requirements. This release does not constitute an offer for sale of securities in the United States.

## **Kiario Holdings Corp.**

Based in Vancouver, British Columbia, Kiario is an independent, omni-channel cannabis retailer and distributor. Through existing storefronts across British Columbia, Saskatchewan, and Ontario, and with the completion of the recent acquisition of Hemisphere Cannabis from Aegis Brands, Kiario has 16 stores in operation and another two expected in early 2022. This is in addition to its wholesale distribution division servicing Saskatchewan, and ecommerce sites in Canada, the US and Australia. Kiario is driven to introduce new and experienced consumers to a lifelong exploration of cannabis. With more than 70 years of collective retail and wholesale focused experience, Kiario's leadership team has a proven track record of executing on acquisitions and financings, and moreover growing brands across North America. The Company plans to continue its growth trajectory through its consumer-centric retail, ecommerce, and wholesale distribution segments over the coming years.

### **Forward-Looking Information**

This news release contains statements that may constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information may include, among others, statements regarding the future plans, costs, objectives or performance of Kiario, or the assumptions underlying any of the foregoing. In this news release, words such as "may", "would", "could", "will", "likely", "believe", "expect", "anticipate", "intend", "plan", "estimate" and similar words and the negative form thereof are used to identify forward-looking statements. In this news release, forward-looking statements relate, among other things, to: expected completion of the Offering, the timing and receipt of applicable approvals, and use of proceeds. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether, or the times at or by which, such future performance will be achieved. No assurance can be given that any events anticipated by the forward-looking information will transpire or occur. Forward-looking information is based on information available at the time and/or management's good-faith belief with respect to future events and are subject to known or unknown risks, uncertainties, assumptions and other unpredictable factors, many of which are beyond Kiario's control. These risks, uncertainties and assumptions include, but are not limited to, those described in filing statement of the Company dated September 29, 2020, a copy of which is available on SEDAR at [www.sedar.com](http://www.sedar.com), and could cause actual events or results to differ materially from those projected in any forward-looking statements. Furthermore, any forward looking information with respect to future expansion plans is subject to the qualification that management of Kiario may decide, and the assumptions that any construction or conversion would not be cost prohibitive, required permits will be obtained and the labour, materials and equipment necessary to complete such construction or conversion will be available. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Kiario does not intend, nor undertake any obligation, to update or revise any forward-looking information contained in this news release to reflect subsequent information, events or circumstances or otherwise, except if required by applicable laws.

***Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.***

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