

KIARO ANNOUNCES CLOSING OF \$3.75 MILLION BROKERED PRIVATE PLACEMENT

Vancouver, British Columbia – October 28, 2021 – Kiaro Holdings Corp. (TSXV: KO) ("**Kiaro**" or the "**Company**") a Canadian cannabis retailer and distributor, announces that further to its news release on September 30, 2021, that it has completed the previously announced private placement (the "**Offering**") of 3,759 convertible debenture units of the Company (the "**Units**") at a price of \$1,000 per Unit, for gross proceeds of \$3,759,000. Research Capital Corporation ("**RCC**") acted as the lead agent and sole bookrunner, on behalf of a syndicate, including Canaccord Genuity Corp. (collectively with RCC, the "**Agents**").

Each Unit consists of (i) one 8% senior unsecured convertible debenture (each, a "**Convertible Debenture**") having a face value of \$1,000, maturing October 28, 2024 (the "**Maturity Date**"), 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**"), subject to the terms of a convertible debenture indenture dated October 28, 2021 (the "**Debenture Indenture**"), between the Company and Odyssey Trust Company, as debenture trustee; and (ii) 3,846 Common Share purchase warrants of the Company (the "**Warrants**"). The Convertible Debentures are also subject to an accelerator option, whereby the Company shall have the right but not the obligation to convert some or all of the then outstanding Convertible Debentures into Common Shares at the Conversion Price, if the 30-day volume weighted average price of the Common Shares on the TSX Venture Exchange is greater than \$0.26. Each Warrant entitles the holder thereof to purchase one Common Share at \$0.16 per Common Share until October 28, 2024.

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

The Company has granted the Agents an option to purchase up to an additional 15% of the Units sold pursuant to the initial closing of the Offering at the Issue Price, exercisable in whole or in part of any time up to 30 days after the date hereof.

In connection with the Offering, the Agents received a cash commission in the aggregate amount of \$161,540 and 1,863,848 non-transferable broker warrants (the "**Broker Warrants**"). Each Broker Warrant is exercisable into one Common Share until October 28, 2024, at a price of \$0.13 per Common Share.

The Company is exempt from the formal valuation requirement and the minority approval requirement under Multilateral Instrument 61-101 as at the time of the Offering, the fair market value of the consideration for the Offering, insofar as it involved related parties, did not exceed 25% of the Company's market capitalization. Specifically, the aggregate subscription amount of the related parties totaled \$1,280,000 and the Company's market capitalization at the time of the transaction equaled approximately \$22,224,146 based on the closing price of the Common Shares on the TSX Venture Exchange immediately prior to closing. As a result, related party participation equaled approximately 5.76% of the Company's market capitalization.

"It's exciting to see the overwhelming shareholder appreciation of Kiaro's business plan and how quickly investor participation flowed in, enabling us to close this financing in short order. The funding will support the operationalization of the newly acquired Ontario, US and Australian assets, including bringing them to the Kiaro brand standard. As a result, we are now more confident than ever in delivering the forecasted \$42.7M in revenue and beyond." said Daniel Petrov, Chief Executive Officer of Kiaro.

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 with 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: the use of proceeds of the Offering, overall growth of the Canadian cannabis market and retail opportunities, the award of new operating permits and licenses in various jurisdictions, the future trading price of the Common Shares, and the timing and amount of any dispositions of the Common Shares. 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, 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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