



KIARO HOLDINGS CORP. SUCCESSFULLY RENEGOTIATES MATURED DEBENTURE & Kiaro Provides Additional Clarification on Board Composition

Vancouver, British Columbia, June 27, 2022, Kiaro Holdings Corp. (TSXV: KO) ("**Kiaro**" or the "**Company**") announces that it has entered into an amended agreement dated effective June 24, 2022 (the "**Amending Agreement**"), with 1198341 B.C. Ltd. (the "**Holder**"), a company beneficially owned and controlled by Daniel Petrov, the Company's Chief Executive Officer (currently on medical leave), director and significant shareholder of the Company, in relation to the matured 8.0% unsecured subordinate convertible debenture (the "**Debenture**") in the principal amount of \$700,000 previously issued to the Holder. Under the Amending Agreement, the Company has agreed to issue 800 convertible unsecured debenture units of the Company (the "**Units**") at a price of \$1,000 per Unit.

Each Unit will consist of (i) one 10% senior unsecured convertible debenture (each, a "**Convertible Debenture**") having a principal amount of \$1,000, maturing June 24, 2023 (the "**Maturity Date**"), and (ii) that number of common share purchase warrants (the "**Warrants**") obtained by dividing the face value of the Convertible Debentures by the ten (10) day volume weighted average price of the common shares of the Company ("**Common Shares**") on the TSX Venture Exchange ("**TSXV**") immediately preceding the date of issuance (the "**Conversion Price**") or such greater price as may be required by the TSXV. The Warrants shall be exercisable for a period of three (3) years from the date of issuance.

The Convertible Debentures will be convertible into Common Shares at the Conversion Price at any time, in whole or in part, prior to the Maturity Date. The Convertible Debentures will also be subject to an anti-dilutive clause requiring repricing of warrants in case of any future private placements being completed under the Conversion Price.

The Debentures will be subject to change of control provisions, whereby the Holder can require the Company to repurchase the Debentures at a price equal to 105% of the principal amount if the Company disposes of substantially all of its assets or more than 50% of the Common Shares are acquired by a person or group of persons acting jointly or in concert.

The Holder is a "related party" of the Company within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The issuance of the Units to the Holder is exempt from the valuation and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, respectively, in that the fair market value of the Units will not exceed 25% of the Company's market capitalization.

The issuance of the Units remains subject to completion of final documentation and approval of the TSXV.

Governance Clarification

Additionally, Kiaro would like to clarify its announcement on May 27, 2022 that Ms. Janet Hoffer not only resigned her role as Chief Financial Officer of the Company, but also resigned as a Director of the Company and directorships of applicable Company subsidiaries.

Kiaro Holdings Corp.

Based in Vancouver, British Columbia, Kiaro 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, Kiaro 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. Kiaro 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, Kiaro'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.

Further Information

For more information, visit investors.kiaro.com
For our most recent analyst report, [click here](#)

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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.

Cautionary Note Regarding Forward-Looking Information

This press release contains statements which constitute "forward-looking information" within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of the Company with respect to the Debenture and future business activities and operating performance. Forward-looking information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and includes information regarding the negotiations of further amendments to the Debenture and the discharge of the Debenture.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflect the Company's management's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the Company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the ability of the Company to complete the Debenture issuance and receive all necessary regulatory approvals therefor. This forward-looking information may be affected by risks and uncertainties in the business of the Company and market conditions.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company have attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company does not intend, and do not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.