

KIARO ANNOUNCES C\$3M BOUGHT DEAL PRIVATE PLACEMENT LED BY CANACCORD GENUITY

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Vancouver, British Columbia February 11, 2021 – Kiaro Holdings Corp. (TSXV:KO) (the “Company” or “Kiaro”) a Canadian Cannabis Retailer, is pleased to announce that it has entered into an agreement with Canaccord Genuity Corp. on its own behalf and, if applicable, on behalf of a syndicate of underwriters (collectively the “Underwriters”), pursuant to which the Underwriters have agreed to purchase, on a bought deal private placement basis, 18,750,000 units of the Company (“Units”) at a price of C\$0.16 per Unit (the “Issue Price”), for aggregate gross proceeds of C\$3,000,000 (the “Offering”).

Each Unit will consist of one common share of the Company (a “Common Share”) and one half of one common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant will entitle the holder thereof to purchase one Common Share at an exercise price of C\$0.23 for a period of 36 months from the Closing Date.

The Company has also agreed to grant the Underwriters an over-allotment option to purchase up to an additional 12,500,000 Units at the Issue Price, exercisable in whole or in part at any time prior to the Closing Date. In the event the over-allotment option is exercised in full, the aggregate gross proceeds of the Offering will be C\$5,000,000.

The Company has agreed to: (a) pay the Underwriters a cash commission equal to 7.0% of the aggregate gross proceeds of the Offering (payable in cash or Units at the option of the Underwriters); and (b) issue that number of broker warrants (the “**Broker Warrants**”) to the Underwriters equal to 7.0% of the aggregate number of Units issued pursuant to the Offering. Each Broker Warrant shall entitle the holder thereof to acquire one Unit at the Issue Price for a period of 36 months from the Closing Date.

The Company intends to use the net proceeds of the Offering for evaluating and funding possible retail expansion opportunities and working capital.

The Offering is scheduled to close on or about March 4, 2021 (the “Closing Date”), and is subject to certain conditions customary for transactions of this nature, including, but not limited to, the receipt of all necessary approvals, including the approval of the TSX Venture Exchange.

The securities issued under the Offering will be subject to a statutory hold period of four months and one day following the Closing Date.

The securities to be offered pursuant to the Offering have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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Kiario Holdings Corp.

Based in Vancouver, British Columbia, Kiario is an independent, omni-channel cannabis retailer and distributor. Through existing storefronts across British Columbia and Saskatchewan, a wholesale distribution division servicing Saskatchewan, and plans for national expansion, Kiario is driven to introduce new and experienced consumers to a lifelong exploration of cannabis. With more than 40 years of collective retail-focused experience, Kiario's leadership team has a proven track record of growing retail brands across North America and plans to open multiple retail locations nationwide 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 Offering, the anticipated Closing Date and the proposed use of proceeds of the Offering, including the evaluation and funding of possible retail expansion opportunities. 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 Kiario Filing Statement 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.

For more information, visit: www.kiario.com

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