

Kiaro Enters Agreement for the Acquisition of a Kelowna Cannabis Store

Vancouver, British Columbia, February 23, 2021 – Kiaro Holdings Corp. (TSXV:KO) (“Kiaro” or the “Company”), an omnichannel cannabis retailer and distributor, is pleased to announce that it has signed an agreement to acquire certain assets (The “Asset Purchase Agreement”) of Grasshopper Cannabis (the “Vendor”) required to open a new licensed retail cannabis store in Kelowna, British Columbia.

Under the terms of the Asset Purchase Agreement and subject to the satisfaction of the conditions therein, the Vendor will receive \$695,000 in cash upon closing. The transaction is expected to close on or about March 15, 2021.

"Kiaro is pleased to be a part of the ongoing growth of Downtown Kelowna. Through its ongoing commitment to communities where we operate, Kiaro intends to build long-term relationships to support the growth and vibrancy of Kelowna," stated Daniel Petrov, CEO of Kiaro.

The new proposed retail location is located two blocks from Kelowna City Park and Hot Sands Beach at 1650 Pandosy Street, Kelowna, BC, V1Y 1P7 (the "Subject Location"). Kiaro's retail development strategy is anchored in a philosophy of community integration and this acquisition, located in the Pandosy/Leon corridor, is a positive move for downtown Kelowna.

The City of Kelowna has rezoned the Subject Location to operate a cannabis retail store. Kiaro will submit its application for a cannabis retail store license to the Liquor & Cannabis Regulation Branch of the Province of British Columbia at its earliest opportunity and is targeting an opening date for the Subject Location in Summer 2021.

Upon completion of the proposed transaction, Kiaro's retail location count will increase to 8 across Canada: 6 in British Columbia, 2 in Saskatchewan. Kiaro also holds a Retail Operator License in Ontario. This acquisition is the first step in Kiaro's plan for aggressive expansion of retail across Canada this fiscal year.

About Kiaro Holdings Corp.

Based in Vancouver, British Columbia, Kiaro 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, Kiaro is driven to introduce new and experienced consumers to a lifelong exploration of cannabis. With more than 40 years of collective retail-focused experience, Kiaro'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 Kiaro, 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: proposed retail expansion plans and management's ability to execute on same, overall growth of the Canadian cannabis market and retail opportunities, and the award of new operating permits and licenses in various jurisdictions. 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 Kiaro's control. These risks, uncertainties and assumptions include, but are not limited to, those described in Kiaro 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 Kiaro 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. Kiaro 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: investors.kiaro.com.

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