

## Kiaro enters Ontario, US and Australia through Strategic Acquisition of Cozy Cannabis

**Vancouver, British Columbia – May 31, 2021** – Kiaro Holdings Corp. (TSXV: KO) (“Kiaro” or the “Company”), an omni channel cannabis retailer and wholesale distributor, is pleased to announce that the Company has entered into a definitive agreement to acquire all issued and outstanding shares of Sculthorp SEO Inc. (“Cozy Cannabis”), which currently operates a highly desirable retail location in Toronto and three eCommerce business platforms (the “Transaction”). Completion of the Transaction will launch Kiaro into the Ontario retail cannabis market, and provide access to a new digital portfolio focused on the supply of high quality consumption accessories to Canadian, American and Australian consumers.

The total purchase price in connection with the Transaction of \$1,350,000 will be settled by \$850,000 in common shares of Kiaro, and \$500,000 in cash, subject to a \$50,000 holdback and customary adjustments.

### Key Transaction Highlights

- **Provides Kiaro a strategic entry into the U.S. and Australian market:** The Transaction provides Kiaro with new revenue segments from the U.S. and Australian jurisdictions with consumption accessory sales. As a result of the Transaction, Kiaro is well-positioned to take advantage of any future U.S. and Australia advances towards federal legalization.
- **Solidifies Kiaro’s strategic entry into Ontario:** The prime location in the heart of Trinity Bellwoods neighborhood of Toronto is Kiaro’s first brick and mortar store in the Ontario cannabis retail market. The location on Dundas St W. will also serve as the eCommerce hub for Ontario thereby strengthening their best-in-class omni channel retail approach.
- **Expands the Company’s eCommerce reach both nationally and internationally:** The addition of Vaped.ca, Vaped.com, and VaporizersDirect.com.au, complements Kiaro’s current eCommerce platform and will strengthen Kiaro’s technology-forward approach. As part of the Transaction, members of the Cozy Cannabis executive team will provide transitional services to support the continued growth of both the existing eCommerce platform and the newly acquired consumption accessory eCommerce sites with further investment and expansion.
- **Executes on the plan of revenue and EBITDA growth through acquisition:** The portfolio adds to Kiaro’s cash generating assets while providing additional high margin revenue streams.

In connection with the Transaction, Kiaro is excited to announce that Christian Sculthorp, founder and CEO of Cozy Cannabis, will join the Kiaro team as Director of eCommerce for a minimum period of six months. Mr. Sculthorp will oversee the integration of the eCommerce sites into the Company and will use his expertise and entrepreneurial drive to expand on Kiaro’s global digital footprint.

Daniel Petrov, Chief Executive Officer of Kiaro stated, “Operational excellence has always been Kiaro’s driver - operating with one of cannabis retail’s highest gross margin rates demonstrates that ability. With this acquisition, Kiaro adds international exposure with a high margin accessory e-Commerce portfolio.” Eleanor Lynch, Kiaro’s Chief Operating Officer, adds “In addition to our operational goals, national expansion is one of Kiaro’s primary objectives for this year, and we look forward to serving the community of Trinity Bellwoods with our first Ontario location.”

### Transaction Details

The Transaction is subject to applicable regulatory approvals including, but not limited to, the Alcohol and Gaming Commission of Ontario and TSX Venture Exchange approval and the satisfaction of certain other closing conditions customary in transactions of this nature.

It is anticipated that, subject to receipt of all regulatory other approvals, the Transaction is expected to complete in July 2021.

**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: completion of the Transaction and regulatory approval, proposed retail expansion plans and management's ability to execute on same, overall growth of the Canadian cannabis market and retail opportunities, the integration and financial projections of digital portfolio, legalization and the timing thereof of cannabis related laws in foreign jurisdictions, the award of new operating permits and licenses in various jurisdictions, and the timing and amount of any dispositions of the Company's 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 Kiaro's control. These risks, uncertainties and assumptions include, but are not limited to, those described in the Kiaro Filing Statement 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 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: [www.kiaro.com](http://www.kiaro.com)

Daniel Petrov  
Chief Executive Officer  
[investors@kiaro.com](mailto:investors@kiaro.com)  
1-888-623-2420

Investor Related Inquiries:  
Jerry Lai  
Investor Relations  
[investors@kiaro.com](mailto:investors@kiaro.com)  
1-888-623-2420