Kiaro Announces Sale of National Cannabis Distribution Inc.

Vancouver, British Columbia – September 15, 2022 – Kiaro Holdings Corp. (TSXV: KO) ("**Kiaro"** or the "**Company**"), a national omni-channel cannabis retailer and wholesale distributor, is pleased to announce that its wholly owned Saskatchewan wholesale focused subsidiary, National Cannabis Distribution Inc. ("**NCD**"), and its wholly owned subsidiary, Kiaro Brands Inc. ("**KBI**"), have entered into an amended and restated share purchase and sale transaction (the "**Transaction**"), with 1371511 B.C. Ltd. (the "**Purchaser**"), whereunder KBI sold to the Purchaser all issued and outstanding shares in the capital of NCD (the "**Shares**").

In consideration for the Shares, the Purchaser will pay KBI $500,000 in cash on closing. Under the Transaction, the Purchaser has further agreed to pay KBI an earn-out payment of up to $1,000,000 (the "**Earn-Out Payment**") based on certain financial thresholds payable in case to the extent earned and as described herein on January 31, 2023. Specifically, KBI will be entitled to (i) a $1,000,000 Earn-Out Payment if the EBITDA Margin for the period of August 2022 to January 2023 (the "**Earn-Out Period**") is equal to or greater than 6.8% and the aggregate Sales are equal to or greater than $7,750,000, or (ii) a $500,000 Earn-Out Payment if the EBITDA Margin for the Earn-Out Period is equal or greater than 6.8% and the aggregate Sales are equal to or greater than $6,000,000 and less than $7,750,000. No Earn-Out Payment will be payable in the event the aggregate Sales for the Earn-Out Period are less than $6,000,000, and/or the EBITDA Margin is less than 6.8% in aggregate. For purposes of calculating tje Earn-Out Payment, "EBITA Margin" means earnings of NCD (without deduction of interest, taxes, depreciation or amortization) divided by Sales, determined in accordance with generally accepted accounting principles in effect from time to time in Canada ("**GAAP**") consistently applied. "Sales" means gross sales of product by NCD in the ordinary course of business, excluding sales to affiliates, determined on a gross basis in accordance with GAAP consistently applied.

KBI further granted to the Purchaser a right of first refusal to purchase all or any part of the KBI's interest in and to KBI's cannabis retail stores located in the Province of British Columbia, for a term of 6 months.

AGORA Agreement Termination

Effective as of June 15, 2022, the marketing agreement between AGORA Internet Relations Corp. ("**AGORA**") and the Company has been terminated (the "**AGORA Agreement**"). Pursuant to the AGORA Agreement, the Company issued to AGORA an aggregate of 215,238 common shares.

Kiaro Holdings Corp.

Based in Vancouver, British Columbia, Kiaro is an independent, omni-channel cannabis retailer and wholesale distributor. Through existing storefronts across British Columbia, and Ontario, Kiaro has a number of retail stores. This is in addition to its ecommerce sites in Canada, the US and Australia. Kiaro is driven to introduce new and experienced consumers to a lifelong exploration of cannabis.

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: regulatory and other applicable approvals and the completion of the Transaction. 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, and could cause actual events or results to differ materially from those projected in any forward-looking statements. 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

Jay Dhaliwal
Chief Executive Officer

Investor Related Inquiries:
investors@kiaro.com
1-888-623-2420