



May 16, 2022

Dear Shareholders of Boss Holdings, Inc.:

It has been a while since I have addressed the Boss Holdings' shareholders directly, however, as your CEO and Chairman I feel it is important to be transparent with regard to some health challenges I am facing. I want to let you know that I was diagnosed with stage-4 metastatic prostate cancer and have been receiving treatment for my condition under some of our country's top urologic physicians at MD Anderson Cancer Center in Houston, Texas. I have undergone numerous treatments that have allowed me to continue to conduct my life, and manage our businesses, without many negative consequences or interruptions. Currently, I maintain a regular business schedule and plan to continue to do so but cancer is unpredictable. I remain optimistic and I am excited every day to keep moving Boss forward.

Additionally, Boss Holdings continues to have capable executives. Our day-to-day operations remain under the stewardship of our long-time Chief Operating Officer, Rick Bern, who has decades of experience within each of our operating segments. Chris Miller, president of the Boss Pet operations, is a seasoned executive who joined us in early 2018 and has provided strong leadership of that division through the PetEdge acquisition, an operational reorganization, office relocations, and implementation of new website infrastructure. Similarly, Terry Brizz at Galaxy Balloons and Tom Novak at Aries Manufacturing are industry leaders who have guided their divisions for many years through various challenging business cycles. As is the case with many other low tech and low margin businesses like ours, we are facing unprecedented inflationary and supply chain challenges for which solutions are yet to be found, but I am confident that each of our Boss leaders will continue their outstanding efforts and continue to help the company navigate through these challenges.

While my health will likely decline eventually, here's to a hope that this will not occur for quite some time. However, it is incumbent on the Board to consider other possibilities and future succession plans for Boss.

As you may know, my current holdings in Boss, plus those held by trusts created for the benefit of my family, currently represent approximately 65% of the company's outstanding common stock. Over the years, members of my family have become more engaged in company matters by attending Boss' corporate conferences, meeting many of our managers, attending tradeshows and providing valuable input into various corporate strategies and new product development.

Although this prior involvement by my family members has been strictly voluntary and informal, we feel it is now an appropriate time for them to take a more formal active role within Boss Holdings. Consequently, at our next annual shareholders' meeting to be scheduled later this summer, I will be seeking shareholder consent to expand our Board of Directors to include some family members. However, I presently intend to remain in my role as Chairman of the Board and CEO of Boss Holdings for the foreseeable future.

As the company continues to evolve, I reflect back on my nearly 30-year history of involvement, as both an investor and a manager, with what is now Boss Holdings, Inc. At the time I first took an active role, the company was in a difficult condition and on the brink of bankruptcy after it was uncovered that prior management had committed substantial fraud and made financial

misstatements. Bankruptcy would have meant liquidation for the benefit of creditors, leaving nothing for the shareholders. Although I had been only a passive investor in the company, I stepped up and stepped in (against the advice of both my legal counsel and business advisors) to eject the prior Board, elect a new Board of Directors and hire a new management team. After assuming this mantle of responsibility, we divested non-strategic businesses, settled shareholder litigation, paid off creditors, salvaged what assets we could, and began a turnaround. This process was not easy and obviously required an enormous amount of hard work. With an honest management team, we managed a transformation of the company which initially seemed very unlikely at best. We expanded our operations into new industry segments and saved the jobs of our workers at the Kewanee, Illinois headquarters; Boss Holdings now has over 125 years of continuing operations in the town of Kewanee. Considering the value we believe we have created for our shareholders, the jobs saved and the customers we have served, it now seems it was worth the substantial effort and sacrifices that have been made.

I also want to take this opportunity to share my philosophy regarding the payment of dividends and plans for deploying excess cash. I believe that corporate dividends should be paid when a company has regular and predictable cashflow and accumulates additional cash from operations in excess of what is needed to prudently run the businesses. Presently, our core businesses are not cash flowing in a way that we believe would support paying a regular dividend. Additionally, we do not feel that paying dividends is a tax efficient method of returning value to shareholders. Profits are taxed initially at the corporate level and dividends are, in turn, immediately taxable to the shareholder upon payment. Further, dividend payments are not deductible by the corporation which results in the income of the corporation being taxed twice.

We currently anticipate using our cash on hand for opportunistic investing, acquisitions, investment in inventory, information technology systems and to further our real estate holdings to update our infrastructure for state-of-the-art distribution centers.

With that said, I am keenly aware of the lack of liquidity in the marketplace for Boss shares. This is part of the challenge of being a small micro-cap pink sheet listed company. With that in mind, the Board reviewed several options and determined it to be in the best interest of the company and shareholders to offer our shareholders an opportunity for liquidity through a corporate-sponsored repurchase offer. We are pleased to announce today that shareholders will have the option to sell some or all their shares, on a voluntary basis, through a Dutch Auction tender offer which will be free of commissions and other costs of sale typical in a stock sale transaction. Please see the attached press release for further information on the terms and conditions of the tender offer.

This letter and the attached press release contain statements that are not historical in nature, are predictive in nature, or that depend upon or refer to future events or conditions or otherwise contain forward-looking statements, including statements concerning such things as our company's ability to complete the tender offer and future corporate actions. These statements are based on management's expectations as of the date hereof and assumptions that are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict, and actual results may be materially different from our current expectations and any past or future results. The company undertakes no obligation to update any forward-looking statement, and investors are cautioned not to place undue reliance thereon.

I thank you all for your continued support and as always please reach out with any questions.

Very Truly Yours,

G. Louis Graziadio III
Chairman & CEO

FOR IMMEDIATE RELEASE: Boss Holdings Announces Dutch Auction Tender Offer

KEWANEE, IL, May 16, 2022 / Boss Holdings, Inc. (OTC Markets: "BSHI") ("Boss" or the "Company") announced today that it has commenced a "Dutch auction" tender offer (the "Tender Offer") to purchase for cash up to \$3 million in value of its common stock (the "Common Stock") at a price per share not less than \$20.00 and not greater than \$24.00 per share, less any applicable withholding taxes and without interest, using available cash on hand. The Tender Offer will expire at 5:00 p.m., Central Daylight time, on June 28, 2022, unless extended or earlier terminated in accordance with applicable legal and regulatory requirements.

Assuming that the conditions to the Tender Offer are satisfied or waived and the Tender Offer is fully subscribed, if the purchase price per share of all acquired shares is \$20.00 (the low end of the price range), the Company would purchase 150,000 shares, and if the purchase price per share of all acquired shares is \$24.00 (the high end of the price range), the Company would purchase 125,000 shares, representing approximately 7.55% and 6.29%, respectively, of the Company's outstanding Common Stock as of May 12, 2022. If shares having an aggregate purchase price of more than \$3,000,000 are tendered in the Tender Offer, the Company reserves the right to accept for purchase pursuant to the Tender Offer up to an additional 2% of its outstanding shares of Common Stock without extending the expiration date. The Company also expressly reserves the right, in its sole discretion, to extend the expiration date of the tender offer, subject to applicable legal and regulatory requirements. Stockholders that do not wish to participate in the Tender Offer do not need to take any action.

A "Dutch auction" tender offer allows stockholders to indicate how many shares of Common Stock and at what price within the specified price range they wish to tender their shares. The Company will accept shares first on the basis of the lowest price specified by tendering shareholders within the specified price range and then proceeding up through the next highest incremental prices specified by tendering shareholders until a total of \$3,000,000 has been expended, or a lower amount depending on the number of shares properly tendered pursuant to the terms of the Tender Offer.

To tender shares of Common Stock, stockholders must follow the instructions described in the Offer to Purchase and the Letter of Transmittal that the Company is providing to each shareholder and posting on its corporate website (www.bossholdingsinc.com) Those documents contain the specific terms and conditions of the Tender Offer.

The Tender Offer will not be contingent upon any minimum number of shares being tendered or any financing conditions. The Tender Offer will, however, be subject to other conditions, as disclosed in the Offer to Purchase. The Company's Board of Directors (the "Board") believes the Dutch auction tender offer is a mechanism that both affords all stockholders the opportunity to tender all or a portion of their shares, and also affords stockholders the option not to participate and, thereby, to increase their relative percentage interest in the Company and its future results. In addition, our Board believes the tender offer provides stockholders with an opportunity to obtain liquidity with respect to all or a portion of their shares, with less potential disruption to the share price and the usual transaction costs inherent in open market purchases and sales.

The Information Agent for the Tender Offer is Morrow Sodali LLC, and the Depositary is Continental Stock Transfer & Trust Company. The Offer to Purchase, the Letter of

Transmittal and related documents will be mailed to registered holders of Common Stock. Beneficial holders will receive the Offer to Purchase and a communication from their bank, broker or custodian. For questions and information, please call the Information Agent, Morrow Sodali LLC at (203) 658-9400.

Certain Information Regarding the Tender Offer

The information in this press release describing the Tender Offer is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell shares of Common Stock in the Tender Offer. The Tender Offer is being made only pursuant to the Offer to Purchase and the related materials provided by the Company to its stockholders, as they may be amended or supplemented. Stockholders should read the Offer to Purchase and related materials carefully and in their entirety because they contain important information, including the various terms and conditions of the Tender Offer. Stockholders of the Company may obtain a free copy of the Offer to Purchase and other documents related to the Tender Offer from the Company's website at www.bossholdingsinc.com. Stockholders also will be able to obtain a copy of these documents, without charge, from Morrow Sodali LLC, the Information Agent for the Tender Offer, at (203) 658-9400. Stockholders are urged to carefully read all of these materials prior to making any decision with respect to the Tender Offer.

About Boss Holdings

Boss Holdings, Inc., headquartered in Kewanee, IL, trades on the OTC Pink Open Market under the symbol BSHI. Its wholly owned subsidiary, Massachusetts-based Boss Pet Products, Inc., distributes pet grooming supplies, equipment, pet leashes, toys, apparel, health and wellness products. Other Boss Holdings subsidiaries include Ohio-based Galaxy Balloons, Inc., which distributes custom imprinted balloons, inflatables and other products for the promotional products industry, and Boss Tech Products, Inc., which, through its business division, Aries Manufacturing, supplies and distributes cell phone accessories, including charging solutions, hands-free headsets, speakers and related products. To learn more about Boss Holdings, Boss Pet Products, and Aries Manufacturing please visit: BossHoldingsInc.com, Bosspetedge.com and AriesManufacturing.com.

FORWARD-LOOKING STATEMENTS

This press release contains statements that are not historical in nature, are predictive in nature, or that depend upon or refer to future events or conditions or otherwise contain forward-looking statements, including statements concerning such things as Boss's ability to complete the Tender Offer. These statements are based on management's expectations as of the date hereof and assumptions that are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict, and actual results may be materially different from our current expectations and any past or future results. The Company undertakes no obligation to update any forward-looking statement, and investors are cautioned not to place undue reliance thereon.

Information Contact:

Morrow Sodali LLC
203-658-9400