

FORM 62-103F1
REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

Item 1 - Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Securities: This report relates to common shares (the "**HEXO Common Shares**") and the Series 1 preferred shares (the "**HEXO Preferred Shares**", and together with the HEXO Common Shares, the "**HEXO Shares**") of HEXO Corp.

Issuer: HEXO Corp. ("**HEXO**")
120 de la Rive Road
Gatineau, QC
J8M 1V2

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable. The HEXO Shares were acquired pursuant to the Arrangement (as defined below).

Item 2 - Identity of the Acquiror

2.1 State the name and address of the acquiror.

Tilray Brands, Inc. ("**Tilray**" or the "**Acquiror**")
655 Madison Avenue
19th Floor
New York, NY
10065

Tilray is a corporation existing under the laws of the State of Delaware and its shares of common stock (the "**Tilray Shares**") trade on the Toronto Stock Exchange and NASDAQ under the trading symbol "TLRY".

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On June 22, 2023, Tilray acquired all of the issued and outstanding HEXO Shares pursuant to an arrangement under Section 182 of the *Business Corporations Act* (Ontario) (the "**Arrangement**").

2.3 State the names of any joint actors.

Not applicable.

Item 3 - Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.

Prior to the Arrangement, Tilray did not beneficially own or control any HEXO Shares. On April 11, 2022, Tilray entered into an assignment and assumption agreement with HT Investments MA,

LLC (“HTI”) and HEXO, pursuant to which Tilray agreed to assume from HTI, and HTI agreed to assign, transfer, and sell to Tilray all of its rights, title and interest under the outstanding senior secured convertible note originally issued by HEXO to HTI (the “**Note**”), as such assignment and assumption agreement was amended by an amended and restated assignment and assumption agreement dated June 14, 2022. Pursuant to the terms of the Note, and prior to giving effect to the Arrangement, Tilray had the right to convert the Note into 41,070,745 HEXO Shares, representing 47% of the issued and outstanding HEXO Shares assuming conversion of the Note. After giving effect to the Arrangement, Tilray beneficially owns or controls 87,393,350 HEXO Common Shares, representing 100% of the issued and outstanding HEXO Common Shares, and 25,000,000 HEXO Preferred Shares, representing 100% of the issued and outstanding HEXO Preferred Shares.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.

Tilray acquired ownership or control of 87,393,350 HEXO Common Shares and 25,000,000 HEXO Preferred Shares under the Arrangement.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See Item 3.1 above.

3.5 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

Tilray owns and controls 87,393,350 HEXO Common Shares, representing 100% of the issued and outstanding HEXO Common Shares, and 25,000,000 HEXO Preferred Shares, representing 100% of the issued and outstanding HEXO Preferred Shares.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror’s securityholdings.

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement. State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 - Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

Pursuant to the Arrangement, (i) holders of HEXO Common Shares received 0.4352 of a Tilray Share in exchange for each HEXO Common Share held immediately prior to the effective time of the Arrangement, representing an aggregate of 20,159,563 Tilray Shares, and (ii) holders of HEXO Preferred Shares received 0.78205128 of a Tilray Share in exchange for each HEXO Preferred Share held immediately prior to the effective time of the Arrangement, at a price per Tilray Share of US\$1.58 (C\$2.08, as converted into Canadian dollars using the Bank of Canada closing rate on June 21, 2023).

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See Item 4.1 above.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

See item 4.1 above.

Item 5 - Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**

- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

Following the Arrangement, HEXO is now a wholly-owned subsidiary of Tilray. Tilray will cause the HEXO Shares to be delisted from the Toronto Stock Exchange and NASDAQ. For more information, see HEXO's press release dated June 22, 2023 announcing the completion of the Arrangement.

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

The material terms of the arrangement agreement dated April 10, 2023, as amended on June 1, 2023, between HEXO and Tilray (the "**Arrangement Agreement**") governing the Arrangement are described in the management information circular and proxy statement of HEXO dated May 10, 2023 (the "**Circular**") and the press release of HEXO dated June 1, 2023, both of which are available on SEDAR (www.sedar.com) under HEXO's issuer profile.

Item 6 - Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 7 - Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 8 - Certification

The acquiror must certify that the information is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

CERTIFICATE

I, as the Chief Financial Officer of Tilray, certify that to the best of my knowledge, information and belief, the statements made in this report are true and complete in every respect.

DATED as of the 26th day of June, 2023.

TILRAY BRANDS, INC.

Per: "Mitchell Gendel"
Mitchell Gendel
Global General Counsel