

**Form 51-102F3**  
***MATERIAL CHANGE REPORT***

**Item 1. Name and Address of Company**

Harrys Manufacturing Inc. (the “Company”)  
1070 – 1055 West Hastings Street  
Vancouver, BC, V6E 2E9

**Item 2. Date of Material Change**

February 26, 2021

**Item 3. News Release**

A news release dated February 26, 2021 was disseminated and filed on SEDAR on February 26, 2021.

**Item 4. Summary of Material Change**

The Company announced the appointment of Ken Storey as its new Chief Executive Officer (“CEO”).

**Item 5. Full Description of Material Change**

**5.1 Full Description of Material Change**

Harrys Manufacturing Inc. (“**Harrys**” or the “**Company**”) is pleased to announce that it and its wholly-owned subsidiary, have appointed Ken Storey as its new President & Chief Executive Officer (“**CEO**”), subject to regulatory approval.

Mr. Storey continues to bring over 35 years’ experience in the tobacco industry to Harrys. Starting as an Imperial Tobacco (BAT) sales rep, Ken’s many roles include President of National Smokeless Tobacco Company, a subsidiary of U.S. Tobacco (now Altria), and Director of Sales for House of Horvath Inc., a family-owned manufacturer of cigars and importer of global brands. In those roles, Ken has led consumer-focused sales and marketing teams and he is credited with achieving consistent revenue growth. This experience has led him coast to coast (to coast) in Canada and introduced him to a strong network Industry associates. He has worked with International companies such as Swisher International, Royal Agio and General Cigar. Mr. Storey is recognized in retail and wholesale channels as a strategic supply channel partner and was honored as Outstanding Industry Leader of the Year in 2011 by the National Convenience Store Distributors Association. Ken currently sits on the Board of Directors of Sting Free AB, a private company in Sweden and patent holder in the Swedish Snus (smokeless tobacco product) Industry.

In order to facilitate Mr. Storey's appointment, Kevin Kohanik has resigned from his position as President and CEO of the Company but will continue to serve on the Company's board of directors. Mr. Kohanik has been the Company's CEO and a director since October 15, 2018.

Ken Storey the new CEO stated; "Kevin has built a strong team and I look forward to spearheading Harrys business objectives for successful entry into the tobacco cigarette market in Canada".

## **5.2 Disclosure for Restructuring Transactions**

Not applicable.

### **Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

### **Item 7. Omitted Information**

None.

### **Item 8. Executive Officers**

The following senior officer of the Company is knowledgeable about the material change and this Material Change Report and may be contacted at:

Michael Young, Chief Financial Officer

Tel: 604-565-5100

### **Item 9. Date of Report**

February 26, 2021