



Innovative.
Visionary.

CORPORATE
PRESENTATION
October 29, 2019

TSX: HEXO
NYSE: HEXO



Forward-looking Statements

This presentation on HEXO Corp. ("HEXO" or the "Company") contains certain "forward-looking information" and "forward-looking statements" (collectively "forward-looking statements"). Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on our current internal expectations, estimates, projections, assumptions and beliefs regarding the future of our business, future plans and strategies, our operational results and other future conditions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this presentation and include statements regarding our current beliefs, intentions or expectations about our anticipated results of operations, financial condition, prospects, growth, strategies and the industry in which we operate, including matters such as: (i) the nature, scope and competitive conditions of the cannabis industry; (ii) the applicable laws and regulations to which we are subject; (iii) the grant, renewal and impact of any licence or approval we require to conduct activities with cannabis or any amendments thereof; (iv) our competitive and business strategies and goals; (v) our intention to grow our business, operations and potential activities; (vi) the ongoing expansion of our facilities; (vii) our expected production capacity and yields; (viii) the establishment of our joint venture with Molson Coors Canada and the future impact thereof; (ix) the establishment of our Eurozone processing, production and distribution centre in Greece and the future impact thereof; (x) the performance of our operations and business, including anticipated future revenue and gross margins; (xi) our proposed use of the net proceeds from the offering to which this relates; (xii) the listing of our common shares on the NYSE American; (xiii) our proposed credit facility and intended use of proceeds thereof with a syndicate of Canadian banks; (xiv) our future products; and (xv) potential revenues and market share resulting from the SQDC supply contract.

Forward-looking statements are based on management's opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking statements, there can be no assurance that the underlying opinions, estimates and assumptions, and consequently the forward-looking statements, will prove to be correct. By their nature, forward-looking statements are subject to numerous risks and uncertainties, including those described in the Company's Annual Information Form and other disclosure documents, because they relate to events and depend on circumstances that may or may not occur in the future. No assurance can be given that the expectations in any forward-looking statement will prove to be correct and, as such, forward-looking statements included in this presentation should not be unduly relied upon.

To the extent any forward-looking statements in this presentation constitute "future-oriented financial information" or "financial outlooks", such information has been prepared by the Company to provide a reasonable estimate of potential revenue and profit margins. Readers are cautioned that this information may not be appropriate for any other purpose and they should not place undue reliance on such future-oriented financial information and financial outlooks. The Corporation cannot assure you that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned that forward-looking statements are not guarantees of future performance and accordingly readers are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

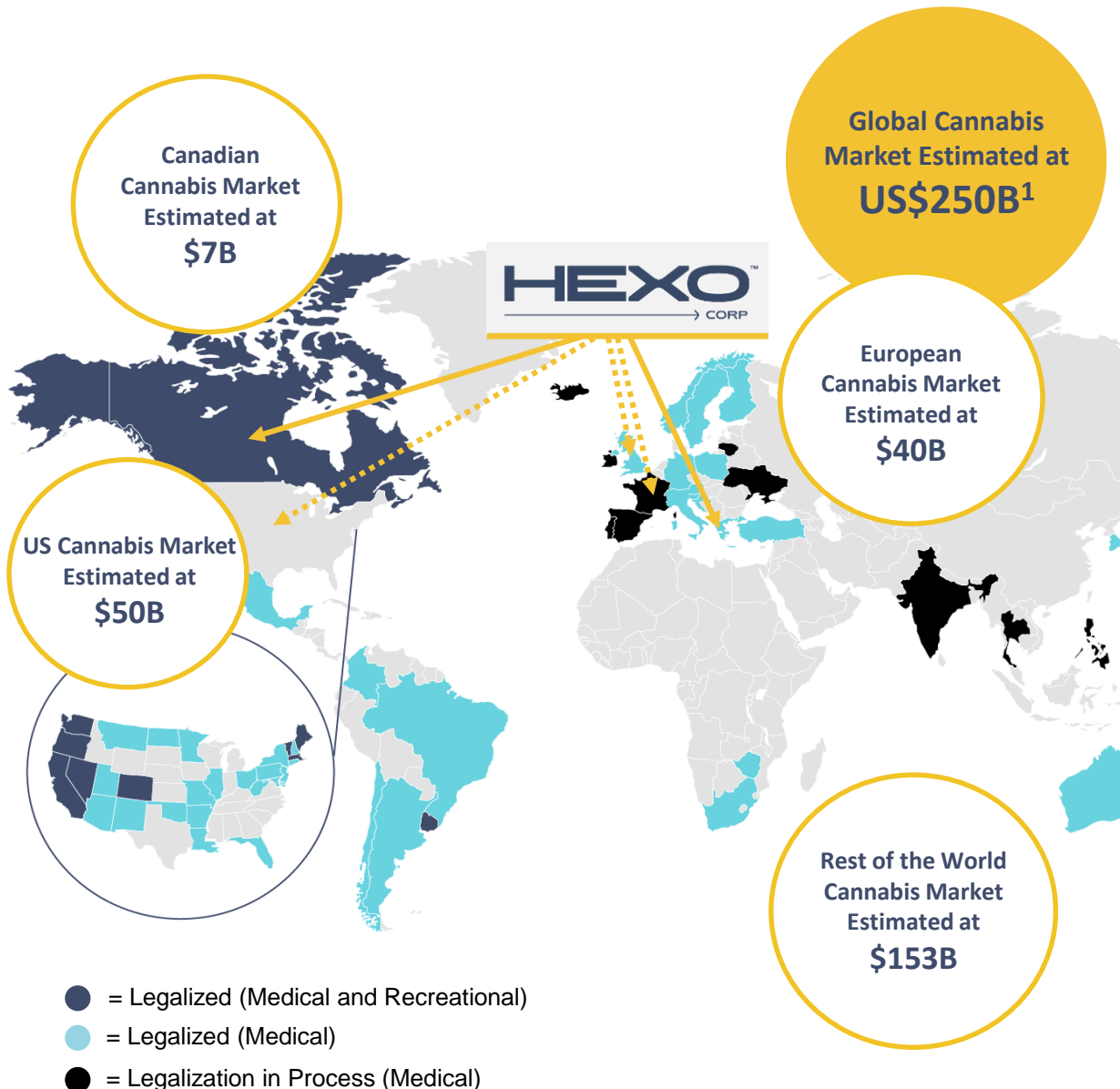
All forward-looking statements are made as of the date of this presentation and the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Certain information contained in this presentation is based on management's review of independent sources such as industry publications, surveys and forecasts that management believes to be reliable. We have not independently verified any of the information from third-party sources nor have we ascertained the validity or accuracy of the underlying economic assumptions relied upon therein. Statements as to the cannabis industry, our market position and our general expectations concerning the cannabis industry are based on market data currently available to us. While we are not aware of any misstatements regarding the industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors. Similarly, management believes that its internal research is reliable, even though such research has not been verified by any independent sources.

Any graphs, tables or other information in this presentation demonstrating the historical performance of the Company or any other entity contained in this presentation are intended only to illustrate past performance of such entities and are not necessarily indicative of future results.

In this presentation, all amounts are in Canadian dollars, unless otherwise indicated.

Continued Global Acceptance of Cannabis



USA

2008-2019

Several states legalize or decriminalize medical and recreational cannabis.

2014

The Rohrabacher–Farr amendment signed into law, prohibiting the Justice Department from interfering with the implementation of state medical cannabis laws.

2018

The 2018 farm bill legalizes low-THC hemp nationwide and effectively deschedules hemp-derived CBD from the Controlled Substances Act.

Mexico

2019: The Mexican government has revealed plans to introduce a bill for the legalization of recreational cannabis by April 2020.

LATAM

Medical cannabis is legal in six countries in Latin America.

Canada

2016

Canadian government releases “A Framework For The Legalization And Regulation Of Cannabis”

2017

Ottawa undertakes consultations on its proposed approach to regulating cannabis, including licensing, products, packaging and labelling.

2018

The Cannabis Act takes effect, legalizing cannabis for adult use nationwide.

2019

The federal government announces new regulations for cannabis edibles, extracts and topicals in what many call the second wave of legalization.

European Union

Medical cannabis is legal or permitted in some form in 17 European countries.

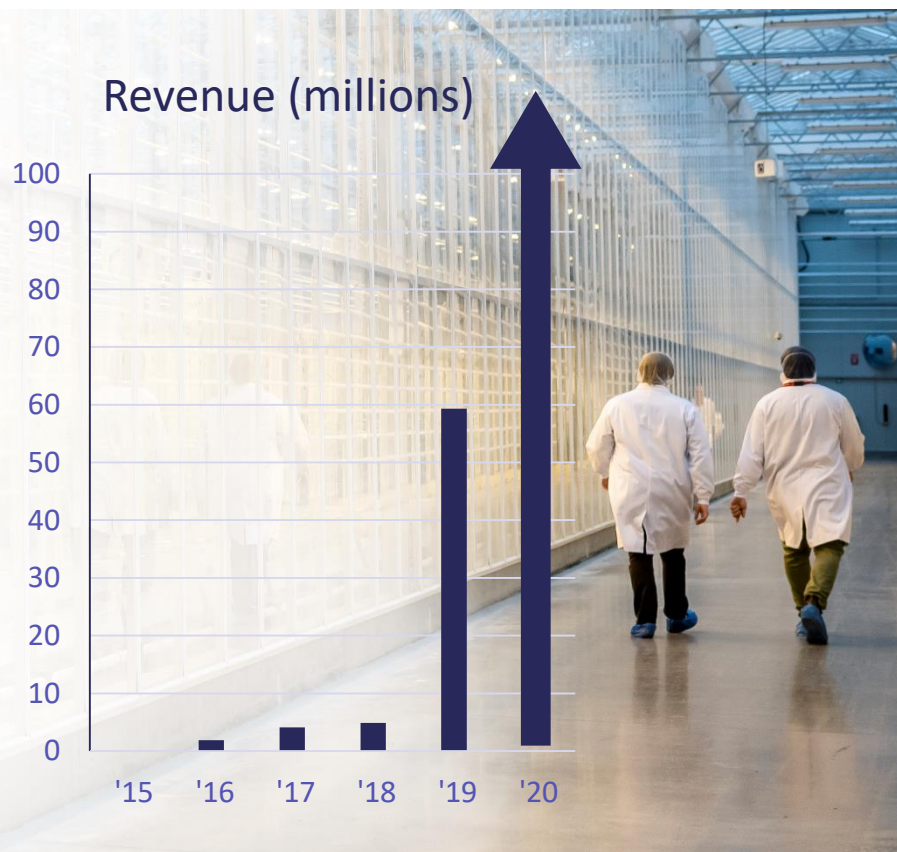
CBD products: EU authorities now regard CBD-infused food, drinks and supplements as “novel foods”; they are permitted but must be approved on a per-product basis.

¹ Piper Jaffray research report dated January 8, 2019.

HEXO is Shaping the Future of Cannabis

VISION

HEXO creates branded, consistent, quick onset and offset cannabis experiences for sleep, sport, sex, and fun delivered through a full range of "Powered by HEXO" products developed in-house and in partnership with Fortune 500 partners.



OUR COMPETITIVE ADVANTAGES

- We have a focused strategy as an adult-use brand company, with brands HEXO, UP, Original Stash, and "Powered by HEXO".
- We have best in class infrastructure, operations, and scale in one of the lowest cost production centers in Canada
- We have broad distribution across 9 provinces in Canada
- We are committed to R&D and product innovation that enhances the consumer experience
- We are building dynamic partnerships with leading global CPG companies

LEADING THE WAY

- Launched Elixir – Canada's first cannabis oil sublingual spray
- Joined Food and Consumer Products of Canada – First for a Canadian LP
- Partnered with Segra International for plant tissue cultures – First for a Canadian LP
- Obtained Kosher Certification – First for a Canadian LP

TARGETING POSITIVE ADJUSTED EBITDA IN CALENDAR 2020

Strong Platform for Growth

2013

Incorporated

2014

Planted first crop

2015

First medical cannabis sale

2017

List on the TSX-V under ticker "THCX"

2018

Graduated to the TSX

Entered into JV for European Expansion (HEXO MED)

Announced exclusive partnership with Molson Coors Canada to create Cannabis infused beverages

Legalization of Adult Use Cannabis

2019

Listed on NYSE-A; Graduated to NYSE

Acquired Newstrike Brands Ltd.

HEXO MED receives license

Belleville Center of Excellence Obtains Phase 1 License

Obtains R&D License

2020

Enter the US Market

A YEAR of GROWTH



REVENUE
from
\$5M to \$59M



PRODUCTION
from
3 tons to 80 tons



EMPLOYEES
from
300 to 1,000



Near-Term Strategic Priorities



Driving Sales

Through new product offerings and leveraging increased analytics for decision making



Achieving Operational Excellence

Through new leadership, streamlining and automation, we expect meaningful improvements in yields over time



Rightsizing Operational Expenses

We are realigning our operating expenses with our near-term revenue expectations



Commissioning Belleville Center of Excellence

Through our state-of-the-art facility, we will facilitate development and rollout of 2.0 products and drive production costs down



Continuing to invest in R&D and Intellectual Property

Through innovation, we will lead in developing and improving cannabis technology for our portfolio of products



Securing Future Partnerships

Using our "Powered by HEXO" strategy



Dedication to Corporate Social Responsibility

Monitoring and reporting on greenhouse gas emissions, setting targets to reduce them, and offsetting our footprint

Long-Term Strategic Priorities



OPERATIONAL SCALABILITY

Invest in people, processes and systems to meet market demands, adapt to new opportunities and provide users with high-quality products at sustainable operating costs.



PRODUCT INNOVATION

Continue to innovate and lead the market in identifying, developing and launching new cannabis products that enhance consumer experience with the HEXO brand.



BRAND LEADERSHIP

Leveraging our innovation and data-driven customer intelligence to enhance our “Powered by HEXO” brand experience, drive increased brand adoptions and further our branded market leadership.

Operational Scalability

Low cost producer with strategically located facilities minimizes risk



FACILITY	TYPE	SIZE (sq.ft.)
Gatineau, QC	Greenhouse	1,310,000 ⁽¹⁾
Niagara, ON	Greenhouse	455,000 ⁽¹⁾
Brantford, ON	Indoor grow facility	14,000
Belleville, ON	Processing and Manufacturing Facility	729,000 ⁽²⁾
Vaughan, ON	Food Laboratory	14,200
Montreal, QC	Research Facility	19,600
Montreal, QC	Distribution	58,000
TOTAL		2,599,800
Current annualized run rate of 80,000 kg		

(1) Temporarily suspended cultivation activities in Niagara and in 200,000 sq. ft. in Gatineau

(2) HEXO has rented 729,000 sq. ft., with an option on an additional approximately 587,000 sq. ft. Truss occupies an additional 183,600 sq. ft within the facility

LOW COST DRIVERS



Competitive electricity rates



Attractive crop yields



Competitive labour costs



Maximum use of natural sunlight



State-of-the-art equipment and operations

Operational Scalability

Belleville Facility

- To become our main manufacturing and processing facility for all our cannabis products
- Up to 1.5M sq. ft. of manufacturing and processing facilities for HEXO and our partners
- Designed to allow Hub and Spoke partners to work and collaborate under our license
- Located on Canada's major shipping highway with proximity to USA border for easy distribution
- Truss bottling line occupies 183,600 sq. ft.
- Received Phase 1 license in October 2019

1.5M sq. ft.

HEXO Corp is establishing a processing and manufacturing Centre of Excellence in Belleville, ON

Right of first refusal on remaining space

Truss
183,600 sq. ft.

HEXO
729,000 sq. ft.



Product Innovation

A sample of our current and anticipated products using our best-in-class IP processes



Over 50
Product
SKUs



WHAT'S TO COME...

- Beverages
- Vapes
- Edibles
- Topicals



O'Cannabiz Industry Awards
**2019 WINNER FOR
PRE-ROLLS AND HELIOS**

Best Pre-rolls & Dried Flower - Best Sativa

Canadian Cannabis Awards
2018 WINNER FOR ELIXIR CBD

Cannabis Product of the Year
& Innovation of the Year

Canadian Cannabis Awards
**2017 WINNER FOR DECARB
& FINALIST FOR ELIXIR THC**

Best New Cannabis Product
& Top High THC Oil



Product Innovation

HEXO'S Innovation Is Driven By Consumers' Needs



To be Delivered by:

- Superior technology
- Quick onset
- Controlled offset
- Tailored experiences

**Maximize
opportunities within
regulatory
framework**



Developed by an experienced and diversified leadership team

- Continuing to strengthen our Innovation Team
- Attracting a variety of scientists, including food scientists and biotechnologists, from established CPG companies
- Continued R&D Investment

Product Innovation

Cannabis-Infused Beverages

- Canadian market for cannabis-infused beverages expected to reach \$1.4B
 - Global cannabis-infused beverage market expected to reach \$5.9B
 - Creating best-in-class products with controlled onset and offset times
 - Emulsification technology
- Improved taste and consistency
 - Consistent shelf stability
 - Full range of non-alcoholic beverages in a variety of experiences ready for legalization
 - Potential for non-THC beverages in other global markets with our “Powered by HEXO” experiences



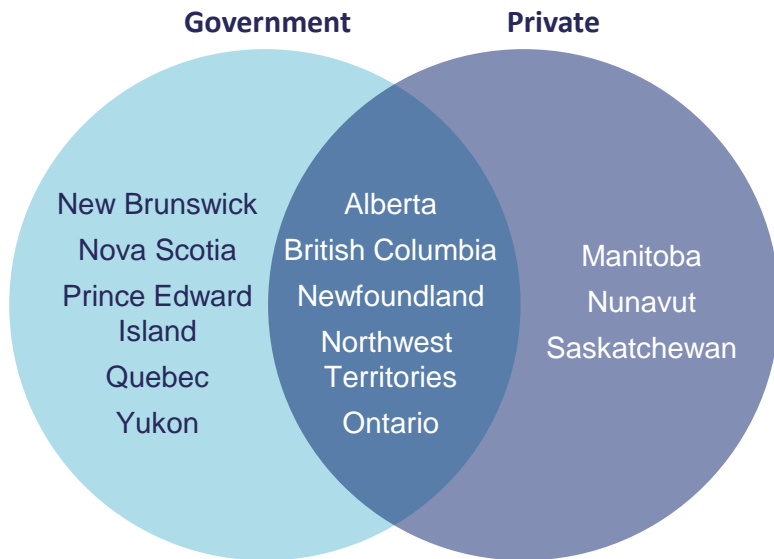
Smoke-free
alternative



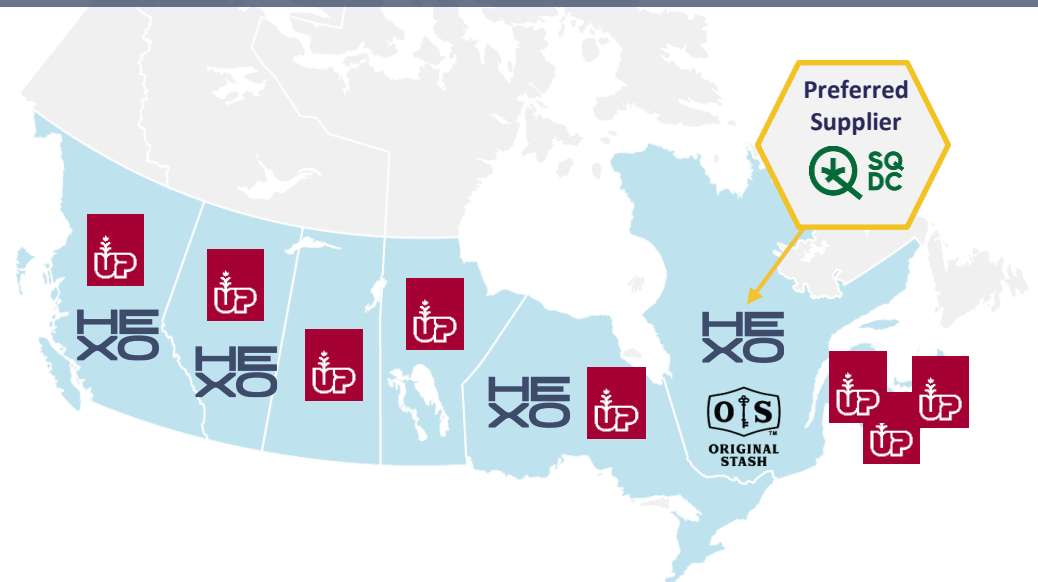
Truss represents our first partnership with a leading CPG brand

Brand Leader in Canada

- Continuing to increase distribution and market penetration across Canada
- Variety of brands reflecting diverse market segments
- Provincial supply agreements with 9 provinces, reaching 98%¹ of Canadians
- ~33% of the market share in Quebec in Year 1, the second largest province
- Preferred supplier relationship in Quebec



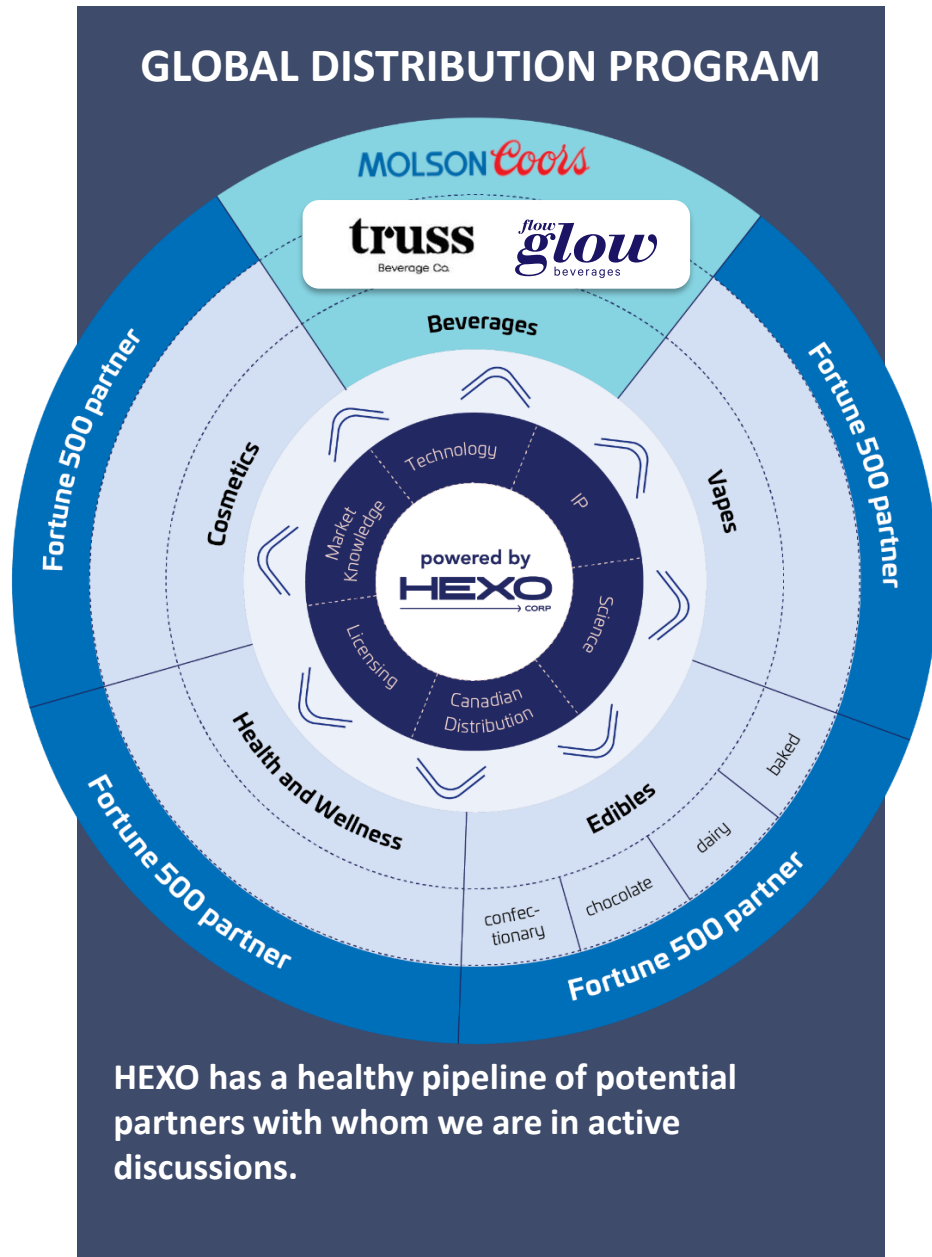
Current Provincial Distribution by Brand



¹ Based on 2016 Census.

Brand Leadership

Premium Branded Partner for CPG Companies



Providing Global Partnership Opportunities

- Facilitating the entry of CPG companies into the cannabis market with HEXO using our "Powered by HEXO" model

What HEXO Brings To The Partnership:

Best-In-Class Research and Technology

- Innovative product development
- IP portfolio (pending patent approvals)

Regulatory Access to Legal Markets

- Licensed infrastructures
- Broad distribution infrastructure and delivery systems across Canada

What Potential Partnerships Bring:

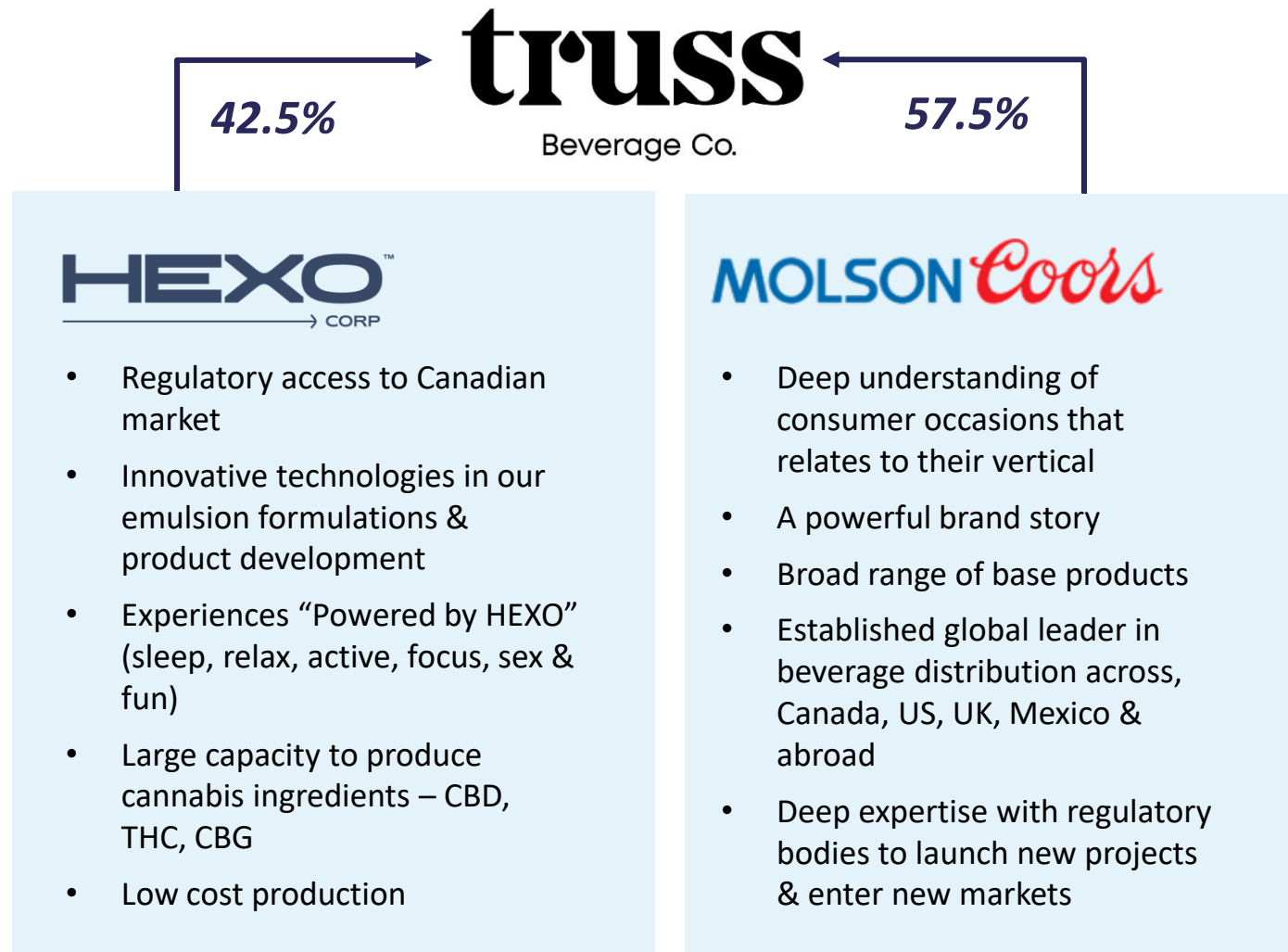
- Great base products
- Established global distribution network
- Deep customer understanding

Target to add one partner per year

Brand Leadership

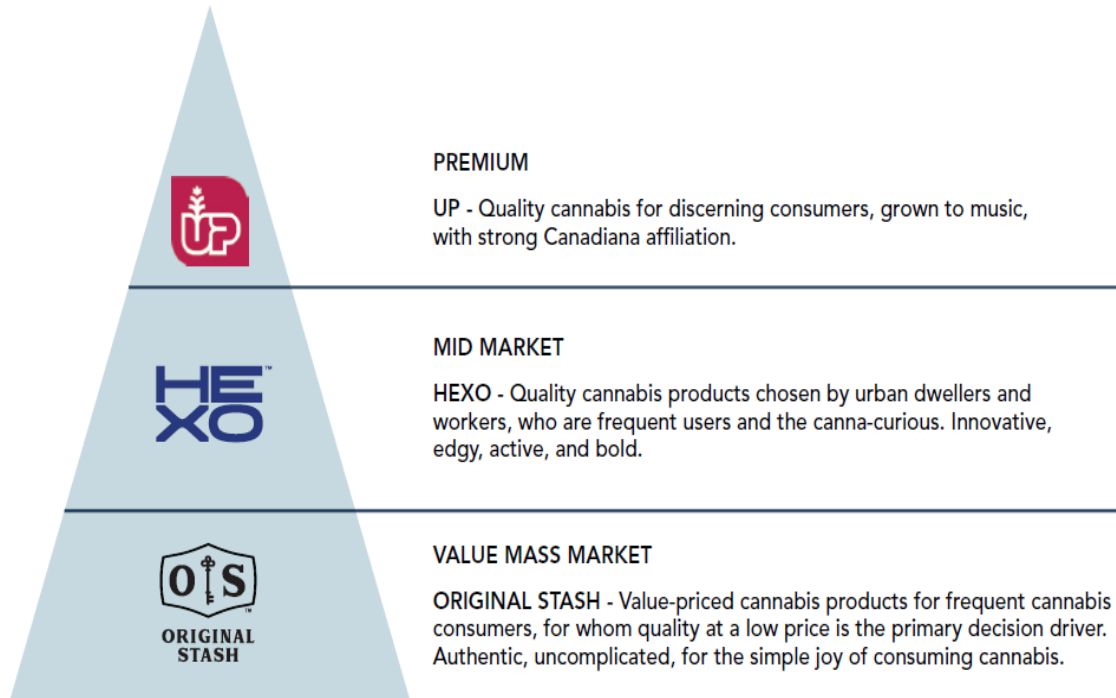
Dynamic Partnerships with Global CPG Brands

- Exclusive agreement with Molson Coors Canada to create cannabis-infused beverages
- Stand-alone joint venture
- Costs and future profits to be shared pro-rata
- Global cannabis-infused beverage market has potential to reach \$5.9B



Working to improve market acceptance through superior products, addressing issues such as taste, shelf stability, potency and package sizes, and offering a variety of flavours and experiences

Brand Leadership



powered by
HEXOTM
→ CORP

truss

Beverage Co.

with
MOLSON Coors

flow
glow
beverages

**OTHER
FORTUNE 500
PARTNERS**

Value-added derivative products
made with Fortune 500 partners

Solid Financial Position

(All amounts expressed in Canadian Dollars)	Q4 2019	Q3 2019	Change %	Q4 2018	Change %
Net Revenue ⁽¹⁾	\$15.4 MM	\$13.0 MM	19%	\$1.4 MM	992%
Adult Use Net Revenue ⁽¹⁾	\$14.0 MM	\$11.9 MM	18%	-	-
Gross Margin before FV adjustments ⁽¹⁾	\$5.1 MM	\$6.4 MM	-20%	\$0.7 MM	622%
Adult-use Net revenue/gram equivalent	\$3.51	\$4.30	-18%	-	-
Kilograms sold	4,818	2,904	66%	152	3070%
Kilograms Produced	16,824	9,804	72%	2,318	628%

TARGETING POSITIVE ADJUSTED EBITDA IN CALENDAR 2020

Share Capitalization ⁽²⁾

Common Shares Outstanding	257,018,560	85%
Options	22,326,430	7%
Warrants	24,016,422	8%
Fully Diluted	303,361,412	

TARGETING
LONG TERM
GROSS
MARGINS OF
40 TO 45%

(1) Revenue and Gross Margin before fair value adjustments were lower than expected in Q4 due to the establishment of provision for price adjustments and sales returns of slow-moving inventory from the province. Management expects long term portfolio wide gross margins to be 40 to 45%.

(2) As at October 23, 2019



Experienced Management Team

Sébastien St-Louis // Co-Founder & CEO



- Former CFO of a manufacturing firm
- MBA (Finance) from Université du Québec à Montréal
- Closed over \$200M commercial banking and trade finance transactions at EDC and BD

Steve Burwash // Chief Financial Officer



- 25 years of experience in acquisitions, due diligence to integration, financial governance and process optimization.
- Has held senior positions in the aerospace and defense, telecommunications and manufacturing industries.

Donald Courtney // Chief Operating Officer



- Boasts over 20 years of experience in senior operations positions across several industries
- Extensive experience with several global food and beverage organizations
- Most recently, Donald served as the Chief Operating Officer for MedReleaf.
- Donald is a graduate of Control Engineering from St. Lawrence College.

Roch Vaillancourt // General Counsel



- 25 years of experience in business and legal practice
- Named one of Canada's Top 100 General Counsels (Legal 500 GC Powerlist 2016) and included in Legal Era Magazine's London book release, "World's Leading General Counsels 2017-2018"
- Graduate of the University of Ottawa (biomechanics and civil law)
- Member of Barreau du Québec as well as the Ontario and Canadian Bar Associations

Veronique Hamel // Chief Innovation Officer



- Over 25 years of innovation expertise through leadership roles in R&D, new product development and in marketing and business development globally
- Most recently built strong innovative teams in Canada at Church & Dwight Co., Bausch & Lomb and Bausch Health Companies Inc.

Dominique Jones // Chief People Officer



- More than 20 years of leadership and strategic experience across multiple geographies and industries
- As Chief People Officer, helped steer Halogen Software through IPO to sale
- Member of the Chartered Institute of Personnel and Development (CIPD) in the U.K.
- Graduate of University of St. Andrews

Corporate Social Responsibility

To achieve our goals, we need to think about more than just our products and prices. We look at how operations impact our environment. In order to do this, HEXO Corp is monitoring and reporting on its greenhouse gas emissions, setting targets to reduce them, and offsetting its footprint. As members of the Global Cannabis Partnership, we will also be reporting on other Environment, Social and Governance (ESG) impact areas based on Global Reporting Initiatives (GRI) standards. HEXO Corp's CSR Charter remains our north star, guiding our community engagements at the local, provincial, national and international level with a holistic vision on:



PEOPLE

- Significant contribution to the local economy of Masson-Angers, QC and Belleville, ON
- Career development, profit sharing and shareholder programs for employees
- Volunteer and team building opportunities for employees
- Reduced pricing on products for employee medical clients
- Job creator award



PRODUCTS

- Naturally grown and rigorously tested cannabis
- Innovative smoke-free options
- Excise tax absorbed on products for medical clients
- Cannabis product of the year at the 2018 Canadian Cannabis Awards for our Elixir CBD



PUBLIC

- Academic education and research investments
- Education programs for our retail partners
- Responsible use program investments
- Support to food security organizations
- Support to health organizations
- Community emergency support via the Red Cross
- Support to social justice initiatives



PLANET

- Use of solar energy to minimize electricity consumption
- Recycling and composting programs
- GHG Inventory and Reporting (based on ISO14064 standards)
- Water conservation (rainwater capture and water recycling)
- Reforestation project with Tree Canada
- Solar energy project with Ottawa Food Bank
- Sustainability partner of Ottawa Riverkeeper

Investment Highlights



- 33% Market Share in Quebec in Year 1, 2nd largest Canadian Market
- Low-cost Producer with Strategically Located Facilities
- Continuing to Invest in R&D and Intellectual Property
- Dynamic Partnerships with Leading Global CPG Brand through “Powered by HEXO”
- Driving Improvements in Yields and Processing
- Solid Balance Sheet to Finance Continued Expansion and Minimal Debt
- Targeting to Achieve Positive Adjusted EBITDA in 2020
- Expanding Domestic and International Reach



INVESTOR RELATIONS

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