



Strategic · Innovative · Visionary

**CORPORATE
PRESENTATION
July 31, 2020**

**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 upon and include our current internal expectations, estimates, projections, assumptions, plans, opinions, forecasts, targets, guidance, and beliefs or other statements that are not statements of fact regarding the future of our business, future plans and strategies, our operational results and other future conditions. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Such statements can often, but not always, be identified by the use of forward-looking terminology and other similar words and expressions that are predictions or indicate future events and future trends, including negative and grammatical variations thereof or statements that contain certain events or conditions may or will happen or by discussions of strategy. 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.

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, known and unknown, including those described in the Company's Annual Information Form, Management's Discussion & Analysis, Annual Report and other disclosure documents, because they relate to events and depend on circumstances that may or may not occur in the future, and other factors that may cause actual results, performance, or achievements to be materially different from

those implied by such statements. Those risks and uncertainties include, but are not limited, to those relating to the Company's ability to execute its business plan, renew required permits, licenses, and related regulatory compliance matters; implement its growth strategies; obtain and maintain financing at acceptable terms; maintain good business relationships with its customers, distributors, and other strategic partners; keep pace with changing consumer preferences; protect intellectual property; manage and integrate acquisitions; retain key personnel; and relating to the Company's competitive advantages, the development of new products and product formats for the company's products; changes in laws, rules, regulations; litigation risks; and the absence of materially adverse changes in the industry or global economy. 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. Although the Company has based forward-looking statements on assumptions that it believes to be reasonable, it cautions the readers that actual results and developments, including the Company's results of operations, financial conditions, liquidity, and development in the industry in which the Company operates, may differ materially from those made or suggested by the forward-looking information contained herein. The Company cannot assure you that such statements will prove to be accurate. A number of factors could cause actual events, performance, or results to differ materially from what is projected in these forward-looking statements. 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. Readers are also 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. The Company disclaims any intention or obligation, except to the extent required by law, 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 known and unknown 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.

We have included certain non-IFRS performance measures, key performance indicators and additional IFRS measures in this presentation, including Adjusted EBITDA, Kilograms Produced and Gross Margin Before Fair Value Adjustments. See "Non-IFRS Measures", "Key Operating Performance Indicators" and "Other Defined Additional IFRS Measure" in our Management's Discussion & Analysis".

All dollar amounts in this presentation are in Canadian dollars and unaudited unless otherwise indicated.

HEXO – Company Overview

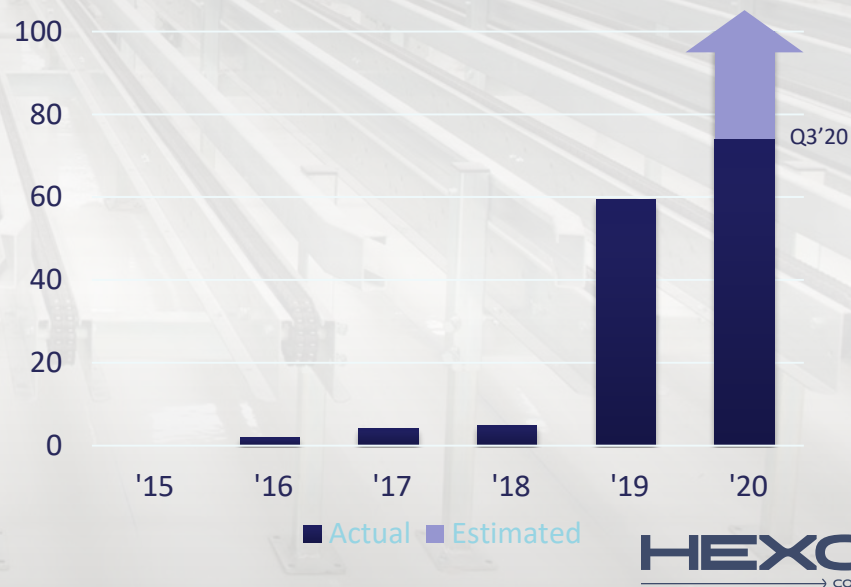
HEXO is a vertically integrated consumer-packaged goods (“CPG”) cannabis company in Canada with global ambitions. Our goal is to become a top global cannabis company with a leading market share in Canada.

Our MISSION is to enhance people’s enjoyment of life by creating globally trusted brands of easy-to-use and easy-to-understand cannabis products.

Q3’20 Highlights

- AEBITDA sequential improvement
- Improved flexibility of Balance Sheet
- Capex reduced & right sized
- On track for positive AEBITDA by the end of 1H’FY21 (January 2021)

FY20 Record Revenue



HEXO is Shaping the Future of Cannabis





COMPETITIVE ADVANTAGES

- Focused strategy as an adult-use brand company
- Low cost Canadian producer
- Leading market share in Quebec
- Second highest number of cannabis patents filed in Canada¹

INNOVATION & IP LEADER

HEXO is the first Canadian LP to:

- Bring hash to the national market
- Launch value brand with Original Stash
- Launch peppermint cannabis oil sublingual spray, Elixir
- Partner with Segra International for plant tissue cultures
- Obtain Kosher Certification

PREMIUM		Quality cannabis in the premium category, with a brand promise of 20%+ THC for the discerning cannabis consumer, celebrating the virtues of Canadian life.
		Quality cannabis in the premium category, with a brand promise of 20%+ THC on all dried flower and pre-roll products. Our pre-rolls are made with our award-winning method of whole bud ingredients. Celebrating life's moments.
MID MARKET		Quality cannabis in the better category, chosen by urban dwellers and workers, who are frequent users and the canna-curious.
VALUE MASS MARKET	 ORIGINAL STASH	Black market products at black market prices.

Strong Platform for Growth

2013-17

Incorporated

Planted first crop

First medical
cannabis sale

List on the TSX-V under
ticker "THCX"

2018

Sign 5 year supply
agreement with the
SQDC

Graduated to the TSX

Announced exclusive
partnership with Molson
Coors Canada to create
cannabis-infused
beverages

Legalization of adult-use
cannabis

2019

Listed on NYSE

Belleville facility obtains
Phase 1 License

Obtains R&D License

Launched Original Stash
brand in Canada

2020

Improved sequential
financial performance &
balance sheet

Belleville facility
receives sales license

Launch of derivative
products

Expand partnership with
Molson Coors in
Colorado

2020+

AEBITDA positive by the
end of 1H'FY21
(January 2021)

Continue dominant
market position

IP leadership & product
innovation

Maintain focus on lean
capex and industry
leading GM



Near-term Strategic Priorities



✓ TARGETING POSITIVE ADJUSTED EBITDA BY THE END OF 1H'FY21 (JANUARY 2021)

✓ CONTINUE OPERATIONAL EXCELLENCE

Belleville on-line

Streamlining and automation to drive meaningful output improvements

Improve flower to trim ratio

Utilizing trim in new product offerings

Right size operating expenses and realigned costs across the organization

✓ INCREASING MARKET SHARE OUTSIDE OF QUEBEC

New product offerings

Excellent market traction for Hash and Preroll

Long-term Strategic Priorities



✓ OPERATIONAL EXCELLENCE

Efficiently 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 cannabinoid based experiences across CPG.

✓ MARKET LEADERSHIP

Expand distribution in Canada and increase our market share.

Operational Excellence

Low cost producer with strategically located facilities



FACILITY	TYPE	SIZE (sq.ft.)
Gatineau, QC	Greenhouse Cultivation and Advanced Automated Manufacturing	1,310,000 ⁽¹⁾
Belleville, ON	Processing and Manufacturing, Distribution and Product R&D	912,600 ⁽²⁾
Montreal, QC	Warehouse and Distribution	58,000
Vaughan, ON	Research Laboratory for the Development of Edible Products	14,200
Brantford, ON	Genetics and Breeding Laboratory	14,000
TOTAL		2,328,400
Current annualized run rate of 90,000 kg ⁽³⁾		

(1) Temporarily deferred activities in 200,000 sq. ft. in Gatineau

(2) HEXO has leased 912,600 sq. ft., with an option on an additional approximately 587,000 sq. ft. Truss has subleased 183,600 sq. ft. from HEXO

(3) Flower and Trim

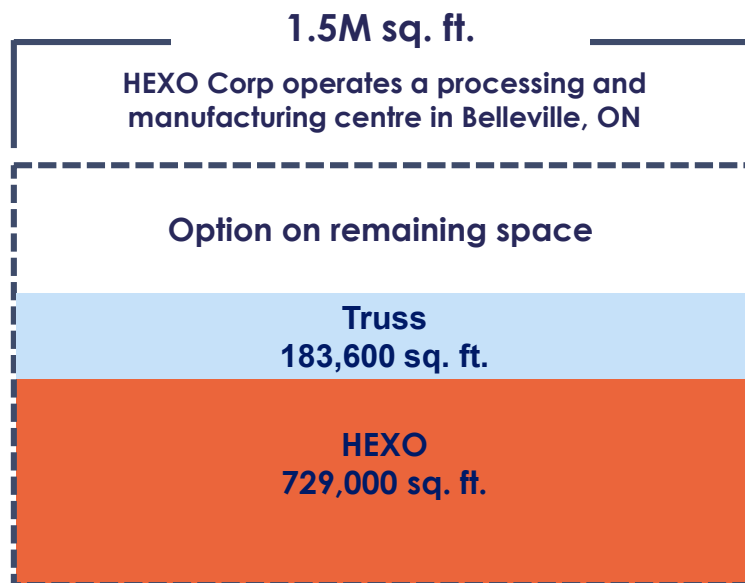
LOW COST DRIVERS

- ✓ State of the art automation
- ✓ Purpose built cannabis cultivation
- ✓ Purpose built manufacturing
- ✓ Increased operations
- ✓ Attractive yield per sq. ft.
- ✓ Competitive electricity costs

Operational Excellence

Belleville – New state-of-the-art facility

- ✓ Fully licensed for the sale of advanced products
- ✓ Consolidated main manufacturing and processing facility for all our cannabis products
- ✓ Located on Canada's major shipping highway for easy distribution
- ✓ Truss bottling line occupies 183,600 sq. ft.



Product Innovation

HEXO products using our best-in-class IP processes



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



Original Stash

- First mover advantage, launched October 2019
- The first 1 oz (28g) bag on the Canadian legal market
- Priced competitively to attract illicit market users to the legal market
- Available in Indica, Sativa and Hybrid strains
- Available in Ontario, Quebec, British Columbia, Saskatchewan, and Alberta
- New products, such as Hash, added to the lineup targeted at illicit market consumers



Product Innovation

Cannabis-infused beverages Truss

- North American market for cannabis- infused beverages expected to reach \$1.56B by 2026¹
 - Global cannabis- infused beverage market expected to reach \$5.04B by 2026¹
 - 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
 - Potential for non-THC beverages in other global markets with our “powered by HEXO” experiences

MOLSON *Coors*

Smoke-free
alternative

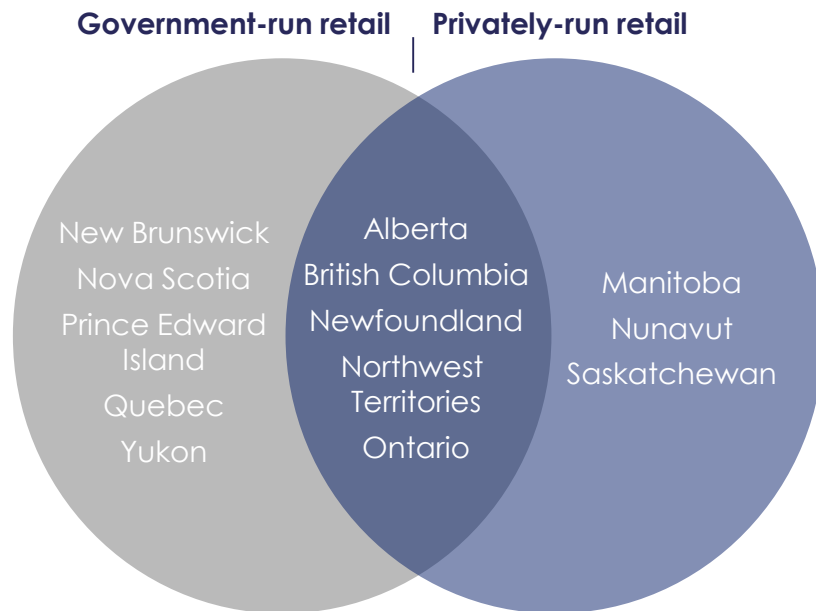


POWERED BY
HEXO™

¹ – Reports and Data Report: Cannabis Based Beverages Market by Product Type (Alcoholic, Non-Alcoholic), by End-User (Household, Hotel, Restaurant, Café [HoReCa]) By Distribution Channel, Application And By Component, And Segment Forecasts, 2016-2026; Dated May 2019

Market Leadership in Canada

- Focus on increasing distribution and market penetration across Canada
- Variety of brands reflecting diverse market segments
- Supply agreements and arrangements with government-run and private retailers in all 10 provinces, reaching 98%¹ of Canadians
- Currently over 33% of the market share in Quebec (second largest province)²
- Preferred supplier relationship in Quebec
- Launched Original Stash, first value brand with aim to disrupt the illicit market




Current provincial distribution by brand



¹ Based on 2016 Census.

² Based on volume sold and sell through data provided by the SQDC.

Market Leadership

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truss
Beverage Co.

with
MOLSON COORS

**OTHER
ANTICIPATED
CPG
PARTNERS**

powered by
HEXO
→ CORP

Exclusive brand for value-added derivative products made with CPG Partners

Financial Position

(All amounts expressed in Canadian Dollars)	Q3 2020	Q2 2020	Change %	Q3 2019	Change %
Net Revenue	\$22.1M	\$17.0M	30.0%	\$13.0M	70.0%
Adult Use Net Revenue	\$21.0M	\$16.3M	28.8%	\$13.6M	54.4%
Gross Margin before FV adjustments	\$8.8M	\$5.7M	54.4%	\$6.4M	37.5%
Gross Margin %	40%	34%	6%	49%	-9%
Adult-use Net revenue/gram equivalent	\$2.25	\$2.47	-8.9%	\$4.30	-47.7%
Kilograms sold	9,598	6,686	43.6%	2,904	230.5%
Kilograms Produced	19,130	22,305	-14.2%	9,804	95.1%

Share Capitalization ⁽¹⁾

Common Shares Outstanding	445,932,219	72.9%
Warrants	137,441,913	22.5%
Options	26,671,388	4.4%
Restricted share units	1,338,335	0.2%
Fully Diluted	611,383,855	

Note: The exercise price of approx. 102.4 million warrants is at or below C\$1.05

(1) As at June 11, 2020

**TARGETING
LONG TERM
GROSS
MARGINS OF
40 TO 45%**

Experienced Management Team

Sébastien St-Louis | Co-Founder and CEO



- HEXO Co-Founder and CEO for 7+ years
- Former CFO of a manufacturing firm
- Closed over \$200M commercial banking and trade finance transactions at EDC and BDC
- MBA (Finance) from Université du Québec à Montréal

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 including Mars Inc. and Pepsi Bottling Group
- Most recently, 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 and the Ontario and Canadian Bar Associations

James McMillan | Chief Development Officer



- Brings over 20 years experience in strategic sales, marketing and business development
- Established track-record of creating successful business development opportunities, building growth organizations, and establishing lasting customer relationships
- Graduate of the Concordia University

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

Investment Highlights

- We are focused on operational excellence, product innovation and market leadership.
- Targeting to achieve positive adjusted EBITDA by 1H'21
- Long term cost savings through automation and economies of scale with Belleville facility
- Continue market share goals beyond 33%+ market share in Quebec, the 2nd largest Canadian market
- Strong balance sheet with solid cash position and low debt
- Continue lean cap ex plan while investing in R&D and intellectual property
- Continue gaining market share across product lines by maintaining our pricing strategies and challenging the illicit market with targeted products
- Dynamic partnership with leading CPG company through “powered by HEXO”



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