



BUILDING A GLOBAL CANNABIS LEADER

CORPORATE PRESENTATION
May 28th, 2021

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 HEXO's 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, 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 HEXO's current beliefs, intentions or expectations about our anticipated results of operations, financial condition, prospects, growth, strategies and the industry in which the Company operates.

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 HEXO currently believes 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 public disclosure and offering 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.

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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.

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



Years ago, we set a path to become one of the top three recreational cannabis players in Canada.

Today we are #1.

TRANSACTION HIGHLIGHTS



Canada's market leader: Number one recreational market share in Canada¹, with leadership positions in the four largest provinces in the country and a true national house of brands covering all major product types and price points

Leadership across major product categories provides for robust blended gross margins

Lean production capabilities driving cost efficiencies

Growth opportunities across Canada, the U.S., and Europe

Immediately improves profitability, accelerates path to EPS and provides opportunities for additional synergies



48^N

Source: Headset, SQDC

¹Based on Headset recreational market share data from 01-Oct-20 to 31-Mar-21 for ON, BC, AB, and SK; based on Q4-20 volume sold and sell through data provided by the SQDC for QC.



REDECAN

CANADA'S LARGEST PRIVATE LICENSED PRODUCER



3rd largest LP
by adult-use market share¹

#1
in customer loyalty²

Differentiated product portfolio
#1 in pre-rolls, oils, capsules¹

**Positive Adj. EBITDA,
Cashflow, & Net Income**



REDECAN HAS A FOCUSED PRODUCT PORTFOLIO WITH DIFFERENTIATED OFFERINGS



#1

In pre-rolls, oils, capsules, and #3 in vapes in **Ontario**

#1

In pre-rolls, oils, capsules, and #3 in vapes in **B.C.**

#3

In oils, capsules & vapes in **Alberta**

#1

In pre-rolls and oils in **Saskatchewan**

Premium, Mainstream & Value Products



REDECAN

REDECAN: EXTENSIVE CULTIVATION & PRODUCTION CAPABILITIES

- High throughput, state-of-the-art, facilities with best-in-class automation
Cost effective end-to-end operations with low labor intensity

3

Automated facilities
with best-in-class
efficient cultivation

2M+

sq. ft. total state
of the art automated
processing &
manufacturing

30+

Years of experience in
the tobacco industry
by management/
founders

Continuous
optimization using
lean six sigma
principles





REDECAN

CANADA'S EXPERT IN LEAN MANUFACTURING EFFICIENCY WITH BEST-IN-CLASS PRODUCTION CAPABILITIES

Simplifies complex processes with fully automated packaging lines and proprietary pre-roll technology

Proprietary technology, easily scalable into new or existing facilities



High-volume, End-to-end
Pre-roll Assembly



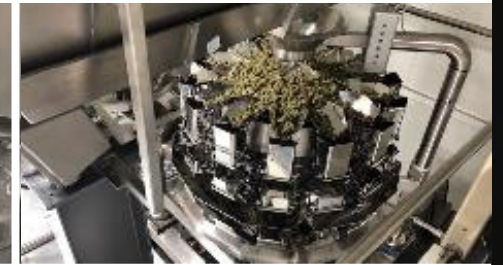
High-tech Vape Filling
Production



Highest Quality
Assured Softgels



Automated Gummy Line
(Launch Pending)



Automated Flower
Jar Bottling Line



EFFICIENT OPERATOR DELIVERING SUPERIOR FINANCIAL PERFORMANCE

High margin business with
**Growing Sales, Positive Adjusted EBITDA,
Cashflow, & Net Income**



Redecan is one of the most profitable Canadian Licensed Producer³



TRANSACTION COMBINES TWO COMPLEMENTARY COMPANIES TO CREATE THE LARGEST CANADIAN LICENSED PRODUCER



Near-term
Revenue and
Cost Synergies

Access to the HEXO
Centre of Excellence
in Belleville

Extend Redecan
into Quebec &
Atlantic Canada

Extend Redecan
into U.S. and
Europe

Enhance
HEXO's
Presence in
Western
Provinces

Access to
Proprietary
Manufacturing
Technology

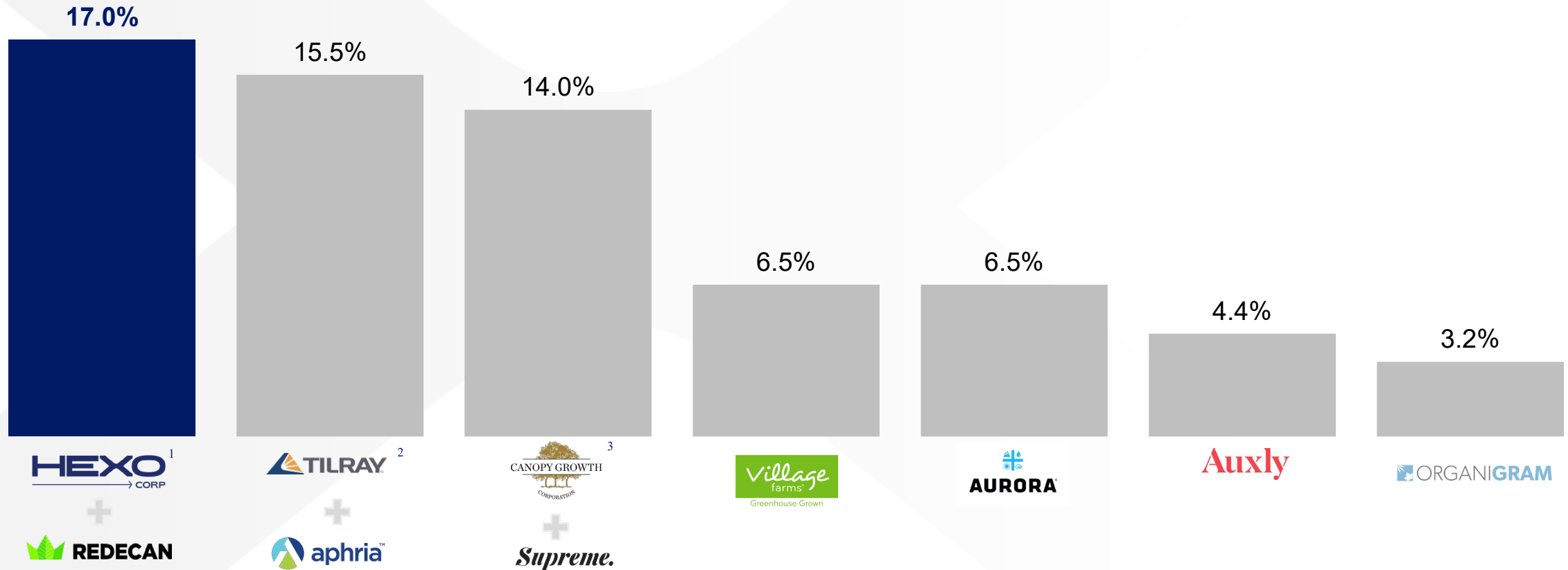
Efficient
Operations
Accelerates Path
to EPS

Solidify Leading
Position in
Canada's pre-
roll Market



REDECAN

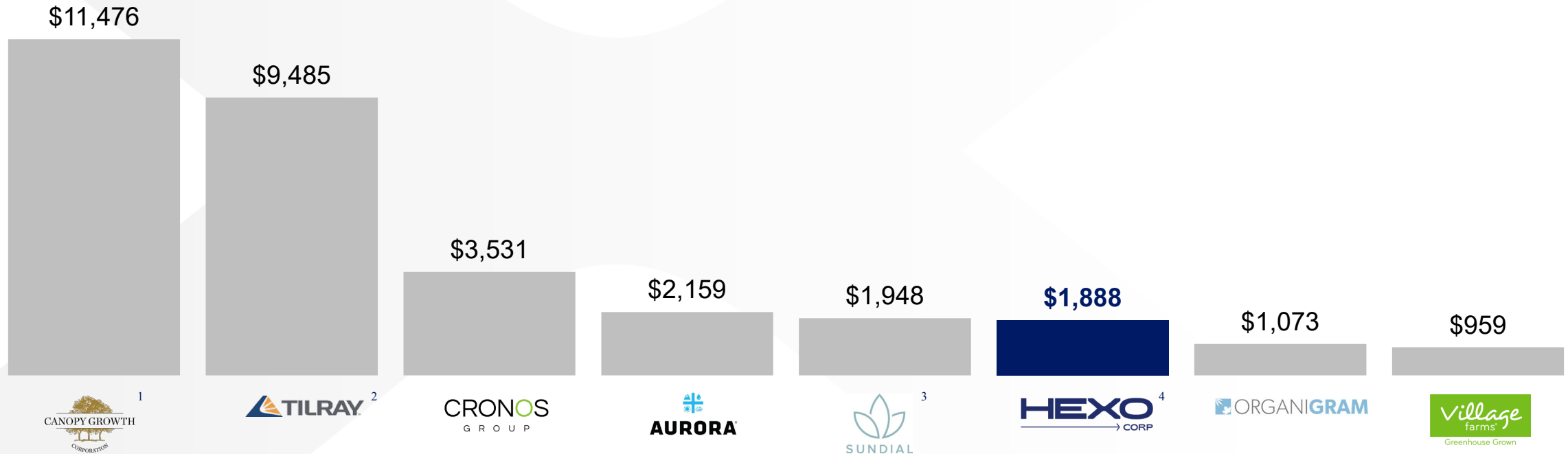
LEADING AND DEFENSIBLE COMBINED MARKET SHARE POSITION





MARKET CAP (C\$ MM)

TRADING AT A DISCOUNT TO PEERS



Source: Company filings, FactSet

Note: Market data as of 27-May-21; treasury stock method used where applicable.

¹Canopy is pro forma the acquisition of Supreme announced on 08-Apr-21.

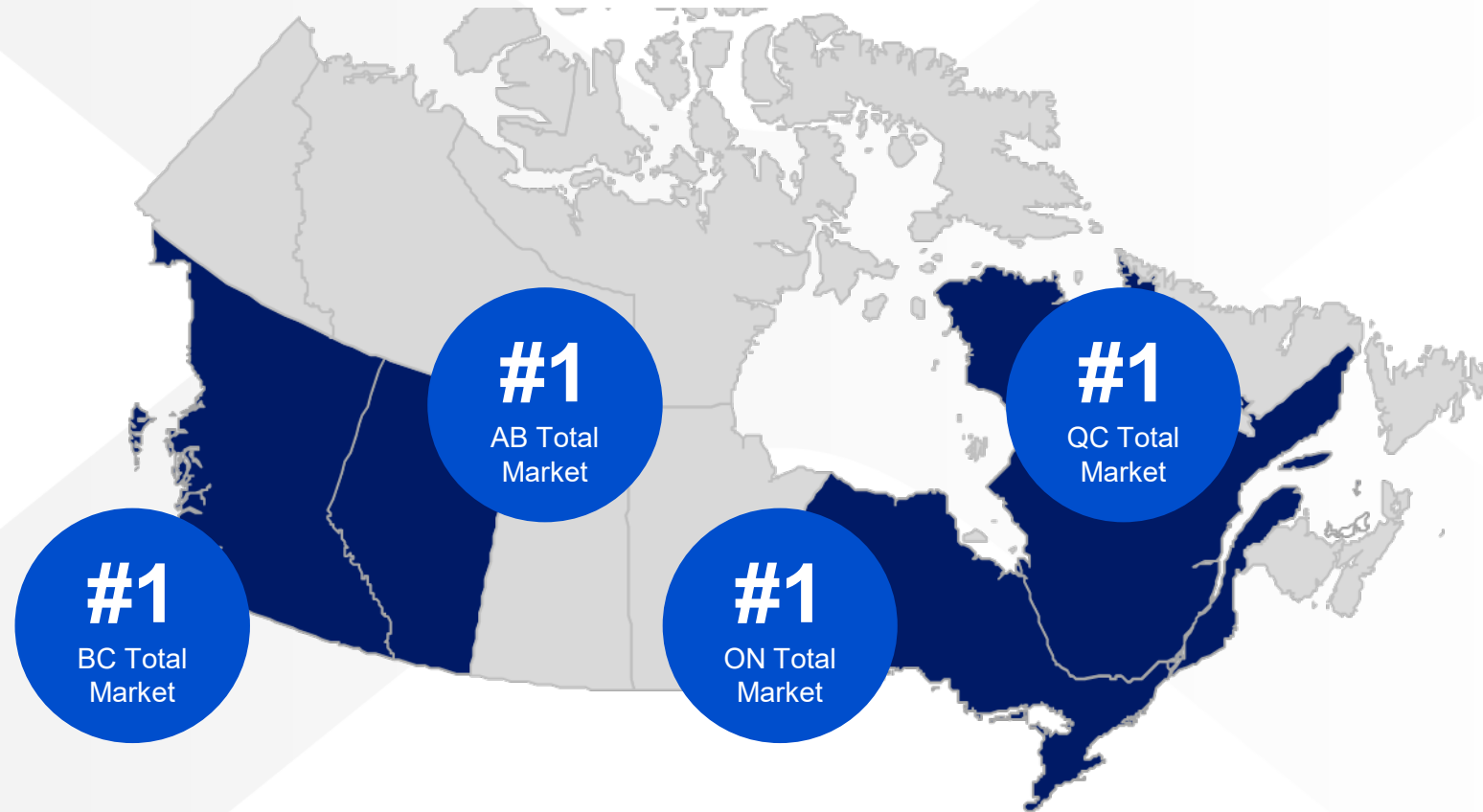
²Tilray is pro forma the combination with Aphria closed on 30-Apr-21.

³Sundial is pro forma the acquisition of Inner Spirit announced on 05-May-21.

⁴HEXO is pro forma for acquisition of Redecan, Zenabis announced 16-Feb-21, and 48North announced 17-May-21.

See page 20 for a build-up of pro forma capitalization.

LEADERSHIP IN CANADA'S FOUR LARGEST MARKETS ACROSS THE PRODUCT AND PRICE SPECTRUM



Four largest provinces in
Canada account for
**87% of total
population¹**

STRONG ALIGNMENT WITH HEXO'S NEAR & LONG-TERM STRATEGIC PRIORITIES

Market Leadership	U.S. & International Expansion	Operational Excellence	Product Innovation
Vault's HEXO to #1 adult-use market share¹ with a strong presence in every province and HEXO brands leading multiple product categories	- Leveraging combined knowledge and talent to fuel HEXO's U.S. and International expansions - Powered by HEXO™	Scaled platform integrating best-in-class production capabilities and proprietary practices to drive market leading operating efficiency	Newly combined know-how enables the development of higher potency and more consistent products in key categories

Establishes a solid base of profitability and a platform for international expansion.



REDECAN REINFORCES AND COMPLEMENTS HEXO'S ROBUST CANADIAN BRAND & PRODUCT PORTFOLIO









Covers all key consumer product categories and price points,
with robust distribution across the country

POWERED BY
HEXOTM

THE TRUSTED SOLUTION FOR LEADING CPG COMPANIES TO SAFELY ENTER THE CANNABINOID MARKET



HEXO
→ CORP



**MOLSON
COORS**
beverage
company



trussTM
Beverage Co.

trussTM
CBD USA

Why Powered by HEXOTM?

- Combines HEXO's cannabis technology with partners' profound knowledge of their products, industries, and consumer insights
- High quality distillate and isolate provides a reliable and consistent consumer experience
- Advanced infusion technology maintains the integrity of the end product



REDECAN

HEXO will leverage Redecan's
unique experience in manufacturing





GROWTH OPPORTUNITIES BEYOND CANADA

Early mover building capabilities with
EU GMP facility & brands **Powered by HEXO™**
in international markets.



HEXO will leverage Redecan's unique pre-roll product, experience in manufacturing, and brands throughout its existing Canadian, U.S. and International footprint

A CLEAR PATH TO PROFITABILITY WITH SIGNIFICANT UPSIDE OPPORTUNITY



Our two pending acquisitions are expected to generate a minimum of **\$32mm in annualized cost synergies** within 12 months



Further Synergies

- Ability to increase sales by bringing brands to new provinces
- Potential for industry leading margins and accelerated path to Earnings per Share
- Optimization of cultivation, manufacturing, and distribution network



Today we are #1. What's next?
Top 3 in Global Cannabis

PRO FORMA CAPITALIZATION AND SOURCES & USES

PRO FORMA CAPITALIZATION (C\$ Millions)

Capitalization	
HEXO Common Shares Outstanding	129.1M ¹
(+) Shares Issuable to Zenabis Shareholders	17.6M
(+) Shares Issuable to 48North Shareholders	5.6M
(+) Shares Issuable to Redecan Shareholders	69.7M
(+) ITM Dilutive Securities	17.1M
Fully Diluted Shares Outstanding	239.0M
Share Price (27-May-21)	\$7.90
Fully Diluted Market Capitalization	\$1,888M
(+) Debt	\$539M ²
(+) Lease Liabilities	\$41M
(+) Non-Controlling Interest	\$4M
(-) Cash	(\$98M)
(-) Investments	(\$80M)
Enterprise Value	\$2,294M

Debt Outstanding

(+) Hexo Convertible Debt	\$35M
(+) Zenabis Debt	\$66M
(+) 48North Debt	\$3M
(+) New Convertible Debt	\$435M ³
Total Debt Outstanding	\$539M ²

REDECAN ACQUISITION SOURCES & USES (C\$ Millions)⁴

Sources	
Equity Issued	\$525M
New Convertible Debt	\$396M ^{3,5}
Cash-on-hand Used for Transaction	\$4M
Total Sources	\$925M
Uses	
Equity and Cash Payments to Redecan Shareholders	\$925M
Total Uses	\$925M

Source: FactSet, unaudited company estimates

Note: Market data as of 27-May-21; treasury stock method used.

¹Includes equity issuance from ATM program.

²Excludes Zenabis royalty liability.

³Converted from USD to CAD at 1.208x.

⁴Excludes fees and expenses.

⁵Net of a 9% original issue discount.

REDECAN – TRANSACTION OVERVIEW

ANNOUNCED TRANSACTION	HEXO has entered into a definitive share purchase agreement to acquire Redecan for a combination of stock and cash (the “Share Purchase Agreement”)
STRUCTURE	Share purchase by HEXO of all of the outstanding shares of Redecan from the shareholders of Redecan (the “Redecan Selling Shareholders”)
CONSIDERATION	- Total consideration of C\$925mm, comprised of C\$525mm in HEXO shares and C\$400mm in cash ~69.7 mm HEXO common shares, priced at the 5-day VWAP on the TSX as of May 27, 2021 \$400mm in cash, funded by cash on hand and previously announced secured convertible note
KEY APPROVALS & CONDITIONS	- Unanimous approval by HEXO board of directors - Approval by a simple majority of HEXO shareholders required - Each of the Redecan Selling Shareholders is a party to the Share Purchase Agreement; no further vote required
LOCK-UP AGREEMENTS	24-month hold period during which, subject to certain exceptions, each Redecan shareholder will be permitted to sell a maximum of 1/24 per month
STANDSTILL AGREEMENTS	Redecan shareholders have agreed to be bound by customary standstill provisions for an 18-month period, during which such shareholders have agreed to support HEXO’s management and board of directors
NOMINATION RIGHTS	Will Montour and Pete Montour, principal shareholders of Redecan, to join the Board of Directors of HEXO
TIMING	Expected to close in calendar Q3 2021

ZENABIS – TRANSACTION OVERVIEW / UPDATE

Announced on February 16, 2021

TRANSACTION HIGHLIGHTS

- ✓ **Strengthened domestic brands:** Based on HEXO's and Zenabis' most recent interim quarterly financial statements and results, and those of the other top licensed producers in Canada, the combined organization would be a top three licensed producer in terms of combined Canadian recreational cannabis sales
- ✓ **Foothold in Europe:** The Transaction gives HEXO immediate access to the European medical cannabis market through Zenabis' local partner, with an established facility in the European Union supplying pharmaceutical products to the European market. The facility also serves as a European Union Good Manufacturing Practice packaging and distribution centre for medical cannabis products produced in Zenabis' Atholville Facility
- ✓ **Accretive synergies:** HEXO estimates that the combined entity may realize annual synergies of approximately \$20 million within one year of close, through cost of goods reductions, additional capacity utilization in HEXO's Belleville Centre of Excellence and selling, general and administrative savings, which, if realized, should allow HEXO to continue its path towards positive earnings
- ✓ **Capacity boost with state-of-the-art cultivation infrastructure:** The proposed Transaction would give HEXO access to licensed capacity to produce approximately 111,200 kg of additional high-quality cannabis annually. The Transaction would result in HEXO acquiring two indoor facilities (approximately 635,000 sq. ft.) and access to a 2.1 million sq. ft. greenhouse facility, totalling approximately 2.735 million sq. ft. of near-term cultivation space offering diversified growing and production techniques. This provides a platform for growth and foundation from which to strengthen and diversify our portfolio of brands

STRUCTURE	• Stock for Stock Combination executed via a Plan of Arrangement under the Business Corporations Act • ZENA shareholders to receive .01772 shares of HEXO for each Zenabis share owned • 19% Premium based upon the 20-day VWAP of each respective company as of February 12, 2021 • Estimated Pro Forma ownership of 12.57% for Zenabis shareholders, HEXO shareholders to own 87.43% on a fully diluted basis
BOARD OF DIRECTORS & MANAGEMENT	• 7 HEXO Board Members and Sebastien St-Louis as CEO • 1 Zena Board Member to be nominated
COMPANY INFORMATION	• Zenabis Global, Ltd: TSX: ZENA
CONDITIONS	• The transaction is subject to customary closing approvals including all regulatory and stockholder approvals, as well as approval by Court of the Plan of Arrangement
TIMING	• Expected to Close in HEXO's Q4 2021

48NORTH – TRANSACTION OVERVIEW / UPDATE

Announced on May 17, 2021

TRANSACTION HIGHLIGHTS

- ✓ **Strengthens HEXO's position as a leader in the Canadian adult-use (recreational) market:** Assuming completion of the Transaction and the previously announced transaction with Zenabis Global Inc., expected to close on June 1, 2021, the combined organization would be among the leading licensed producers in terms of combined Canadian recreational sales, based on their most recent financial statements and results
- ✓ **Diversifies product portfolio:** The addition of 48North's innovative product offering, including topicals, bath and intimacy products provides a strong base for potential future CPG partnerships in the US, Canada and internationally
- ✓ **Offers accretive synergies:** HEXO estimates that, assuming completion of the Transaction, it may realize annual synergies of up to \$12 million within one year of close, through cost of goods reductions, additional capacity utilization in HEXO's Belleville Centre of Excellence and selling, general and administrative savings, which, if realized, should allow HEXO to continue its path towards positive earnings
- ✓ **Provides 48North shareholders access to participate in HEXO's future:** The 48North shareholders will receive HEXO common shares following close of the Transaction along with access to HEXO's expertise in manufacturing, operational excellence and the Powered by HEXO® solution. 48North shareholders will also benefit from HEXO's wide adult-use distribution networks and future growth in Canada, the US and internationally

STRUCTURE

- Stock for Stock Combination executed via a Plan of Arrangement under the Business Corporations Act
- Transaction valued at ~\$50 million on an enterprise value basis
- 48North shareholders to receive 0.02366 shares of HEXO for each 48North share owned, HEXO owners continue to hold their shares
- 20% Premium based upon the 10-day VWAP of each respective company as of May 14, 2021
- Estimated Pro Forma Ownership of ~4% for 48North shareholders, HEXO shareholders to own ~96% on a non-diluted basis

COMPANY INFORMATION

- 48North Cannabis Corp: TSXV: NRTN

CONDITIONS

- The transaction is subject to customary closing approvals including all regulatory and 48North's stockholder approvals, as well as approval by Court of the Plan of Arrangement.



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INVESTOR RELATIONS

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