



HEXO

→ CORP

STRATEGIC · INNOVATIVE · VISIONARY

**CORPORATE
PRESENTATION**
April 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 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.

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.

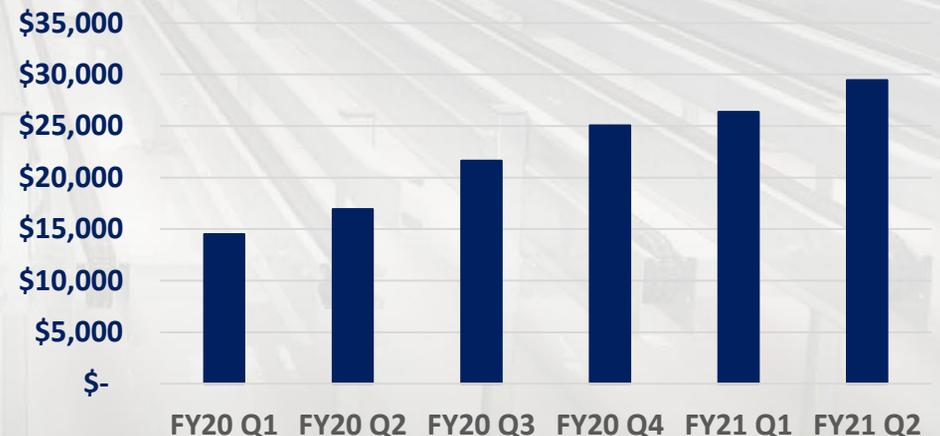
Our **MISSION** is to enhance people’s enjoyment of life by creating globally trusted brands of easy-to-use and easy-to-understand cannabis products.

Q2’21 HIGHLIGHTS

- Record net revenue \$32.8M, up 94% from the comparative prior year period.
- Seventh sequential quarter of Adjusted EBITDA improvement.
- Positive Adjusted EBITDA.
- Maintained #1 position in Beverage.

STEADY REVENUE GROWTH

Net Cannabis Revenue (in ‘000’s)



*Excludes CIB and ancillary net revenue.

STRONG PLATFORM OF GROWTH

2013-17

Incorporated

Planted first crop

First medical
cannabis sale

Listed on the TSX-V

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

Expanded partnership
with Molson Coors in
Colorado

UP Cannabis repositions
brand and launches bold
brand differentiator: 20%
THC or higher in all its
flower products

2021+

Q2 FY21 Adjusted
EBITDA positive

Build towards goal of
becoming a Top 3
LP in Canada
recreational Sales

IP leadership & product
innovation

Maintained focus on
lean CapEx and
industry leading GM

Manage SG&A
in pursuit of EPS



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.
- Beverage partnership with Molson Canada
- Robust portfolio of cannabis patents filed in Canada.

INNOVATION & IP LEADER

HEXO was the first Canadian LP to:

- Bring hash to the national market.
- Launch a value brand (Original Stash), targeted to illicit market consumers.
- Launch a bold brand differentiator: 20% THC or higher in all its flower products with UP Cannabis.
- Introduction of Bake Sale, first of its kind value all purpose baking & cooking flower.
- Obtain Kosher certification.

PRODUCT INNOVATION

HEXO products using one of the industry's top IP portfolios and processes



POWERED BY HEXO®



Best New Product Awards
2021 WINNER FOR TRUSS
LITTLE VICTORY
Food & Beverages

KIND MAGAZINE Awards
2020 WINNER FOR TRUSS
LITTLE VICTORY
Beverage of the Year

Spiritleaf Awards
2020 WINNER FOR
OS.RESERVE
Top Dried Flower

O'Cannabiz Industry Awards
2019 WINNER FOR
PRE-ROLLS AND HELIOS
Best Pre-rolls & Dried Flower – Best Sativa





| PRICE POINT | THC RANGE | DISTRIBUTION |
|-------------|-----------|-------------------------------------|
| Mid price | 17-20% | National, regional category focused |



- HEXO is for explorers, the never jaded, the always curious. HEXO is for Canadians who want to consume adult-use cannabis without stigma. HEXO brings together those who share enjoyable and life-affirming experiences.

QUEBEC

- Helios is the 4th best selling SKU in dried flower with 17% of dried flower sales.
- HEXO held 74% of the Hash market between Oct and Dec 2020.
- HEXO held 28% of the Dried flower between Oct and Dec 2020.
- HEXO had 27% overall market share in QC between Oct and Dec 2020.



| PRICE POINT | THC RANGE | DISTRIBUTION |
|-------------|-----------|--------------|
| Higher-Mid | 20-27% | Quebec only |

- HEXO's quality cannabis in the premium category, with a brand promise of 20%+ THC.

QUEBEC

- Tsunami+ 3.5g sales increased 40% in Jan 2021 after its first full month of sales in Dec 2020.



ORIGINAL™ STASH

| PRICE POINT | THC RANGE | DISTRIBUTION |
|-------------|---------------------------------|--------------|
| Value | OS 17-20% OS. Reserve 20-26% | National |

- Black-market products at illicit-market pricing, for long time cannabis consumers.
- A first mover to take advantage of the 1 oz (28g) bag value format on the Canadian legal market, launched in October 2019.

ONTARIO (Nov 1st to Jan 31st)

- OS.Reserve Indica 14g is the 12th overall best selling product.
- OS.HASH 10 is the number one selling hash.
- OS. Reserve Indica 14g is the number one selling 14g/15g dried flower product category.

QUEBEC (Jan 1st to Mar 31st)

- OS.HASH has a YTD market share of 49%. Number one hash in QC.
- OS.HASH's sales velocity was 62% higher than the average concentrate SKU velocity.

WEST COAST (Nov 1st to Jan 31st)

- OS.HASH 10 held 11.49% of the concentrates market in AB.
- OS.HASH 10 held 8.59% of the concentrates market in BC.
- OS.Reserve Indica 14g was the 2nd best selling SKU in AB.
- OS.Reserve Indica 7g was the 7th best selling SKU in AB.

ATLANTIC (Nov 1st to Jan 31st)

- OS.HASH Indica owns 24.5% of the NS concentrates market share.




ORIGINAL STASH
 Spiritleaf Awards
 2020 **WINNER FOR**
OS.RESERVE
 Top Dried Flower

Source(s): ¹ Data provided by the OCS. ² SQDC Q4 Quarterly S&OP Review Deck provided by the SQDC. ³ Compiled data from a subset of retail store POS systems. This data is consolidated and provided by BUDDI. ⁴ Compiled reports and data provided by the NSLC/NBLL.



| PRICE POINT | THC RANGE | DISTRIBUTION |
|-------------|-----------|-------------------------|
| Higher-Mid | 20-27% | National, excluding QC. |

- UP Cannabis is setting the standard for Canadian cannabis with bold promises, 20% or higher THC guarantee.

ONTARIO (Nov 1st to Jan 31st)

- UP accounted for 15% of total HEXO OCS sales in Q2.
- Northern Berry 3.5g was our 3rd best selling SKU.
- Ghost Train Haze 3.5g was our 7th best selling SKU.
- Cold Creek Kush 3.5g was our 6th best selling SKU.
- Average monthly units sold increased 41% since launch in Nov 2020.

WEST COAST (Nov 1st to Jan 31st)

- Northern Berry is the 20th best selling 3.5g SKU in AB.
- Ghost Train Haze is the 17th best selling 3.5g SKU in AB.





| PRICE POINT | THC RANGE | DISTRIBUTION |
|-------------|-----------|--------------|
| Extra value | 14-17% | National |

- With approachable potency levels and the sweetest prices, Bake Sale is positioned to be the go-to ingredient for cannabis connoisseurs to release their inner chef. It offers outstanding value and versatility, ideal for those who like to experiment in the kitchen or want to extend their stash.
- Launch April 2021.



MARKET LEADERSHIP

PRODUCT INNOVATION

Cannabis-infused beverages



- 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.

- Improved taste and consistency.
- Consistent shelf stability.
- Full range of non-alcoholic beverages in a variety of experiences.
- Non-THC beverages have launched in the state of Colorado with potential for growth in other global markets through our “Powered by HEXO®” experiences.



POWERED BY
HEXO®

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



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

| PRICE POINT | THC RANGE | DISTRIBUTION |
|-------------|-----------|-------------------------------------|
| Higher-Mid | 2.5-10% | National (Canada) Colorado (USA) |

- We Do One Thing and We Do it Well. Hey, we're Truss Beverage Co.™ We're not a cannabis company. We're a beverage company. We're crafting a new space at the intersection of the beverage world and the cannabis frontier.

ONTARIO (Nov 1st to Jan 31st)

- 35.22% market share of the beverage market in ON.
- 2 of the top 5 beverages are Truss products.
- XMG is the number one brand in Ontario with both SKUS being number 2 and 3 best selling beverages.

QUEBEC (Jan 1st to Mar 31st)

- 59% market share of the beverage market in QC.

ATLANTIC (Nov 1st to Jan 31st)

- 45% market share of the beverage market in NS.
- 45% market share of the beverage market in NB.

WEST COAST (Nov 1st to Jan 31st)

- 41% of the market share of the beverage market in AB and BC.
- XMG is the number one beverage brand in BC.

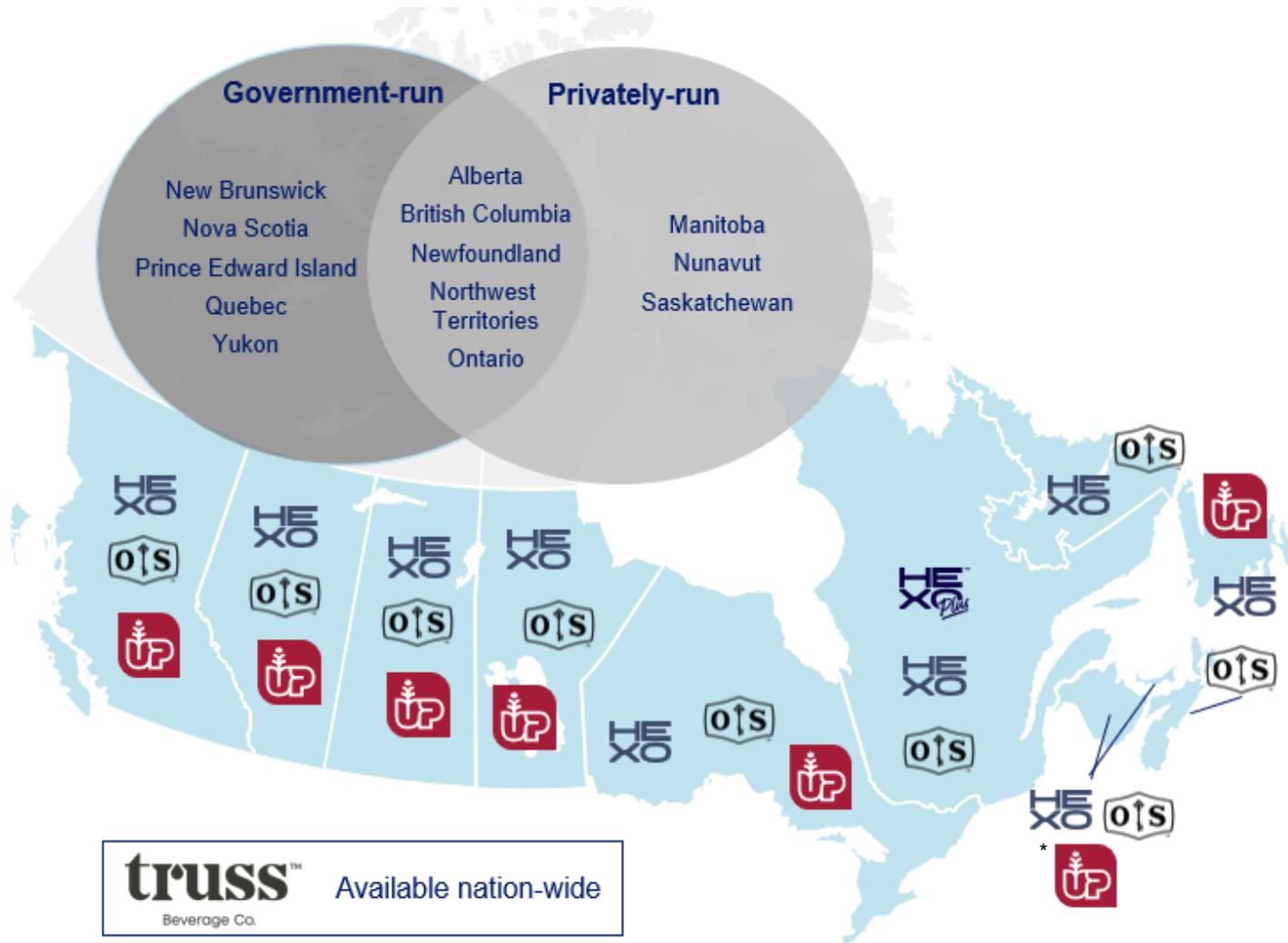
**No. 1 in Beverage
Across Canada**

**START
WONDERING.**



Source(s): ¹Data provided by the OCS. ²SQDC Q4 Quarterly S&OP Review Deck provided by the SQDC. ³Compiled data from a subset of retail store POS systems. This data is consolidated and provided by BUDDI. ⁴Compiled reports and data provided by the NSLC/NBLL

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.
- Number one position in market share in Quebec (second largest province)².
- Preferred supplier relationship in Quebec.
- Full provincial reach of Original Stash aimed to disrupt the illicit market.
- Relaunch of the UP Cannabis brand with bold brand differentiator of 20%+ THC in all flower products.

¹ Based on 2016 Census.

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

* UP is listed with New Brunswick but not yet launched 03/02/21.

NEAR-TERM STRATEGIC PRIORITIES



US EXPANSION

- Hired US GM.
- Investing Capital for "Powered by HEXO®" technology in Colorado to support Truss Beverage and other potential CPG partners.

INCREASING MARKET SHARE OUTSIDE OF QUEBEC

- New product offerings.
- Excellent market traction for hash and pre-rolls.

CONTINUED OPERATIONAL EXCELLENCE

- 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.

LONG-TERM STRATEGIC PRIORITIES



MARKET LEADERSHIP

Strive to have a Top-2 market share in Canada and expand throughout the United States and globally with great CPG partners.

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.

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⁾ |
| 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⁾

LOW COST DRIVERS

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

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

(2)HEXO has leased 932,190 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.

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 beverage operations occupy 183,600 sq. ft.



FINANCIAL POSITION

| (All amounts expressed in Canadian Dollars) | Q2 2021 | Q1 2021 | Change % | Q2 2020 | Change % |
|---|---------|---------|----------|---------|----------|
| Net Revenue | \$32.8M | \$29.4M | 11.56% | \$17.0M | 94.08% |
| Adult Use Net Revenue ⁽¹⁾ | \$26.9M | \$24.3M | 10.70% | \$16.3M | 65.03% |
| Gross Profit before FV adjustments | \$11.7M | \$10.3M | 13.59% | \$5.67M | 99.29% |
| Gross Margin % ⁽¹⁾ | 40% | 39% | 1.36% | 34% | 2.50% |
| Adult-use Net revenue/gram equivalent | \$2.57 | \$2.17 | 18.43% | \$2.47 | -12.14% |
| Kilograms sold | 11,419 | 11,934 | -4.31% | 6,579 | 73.57% |
| Kilograms Produced | 25,608 | 17,462 | 46.65% | 22,305 | 14.80% |

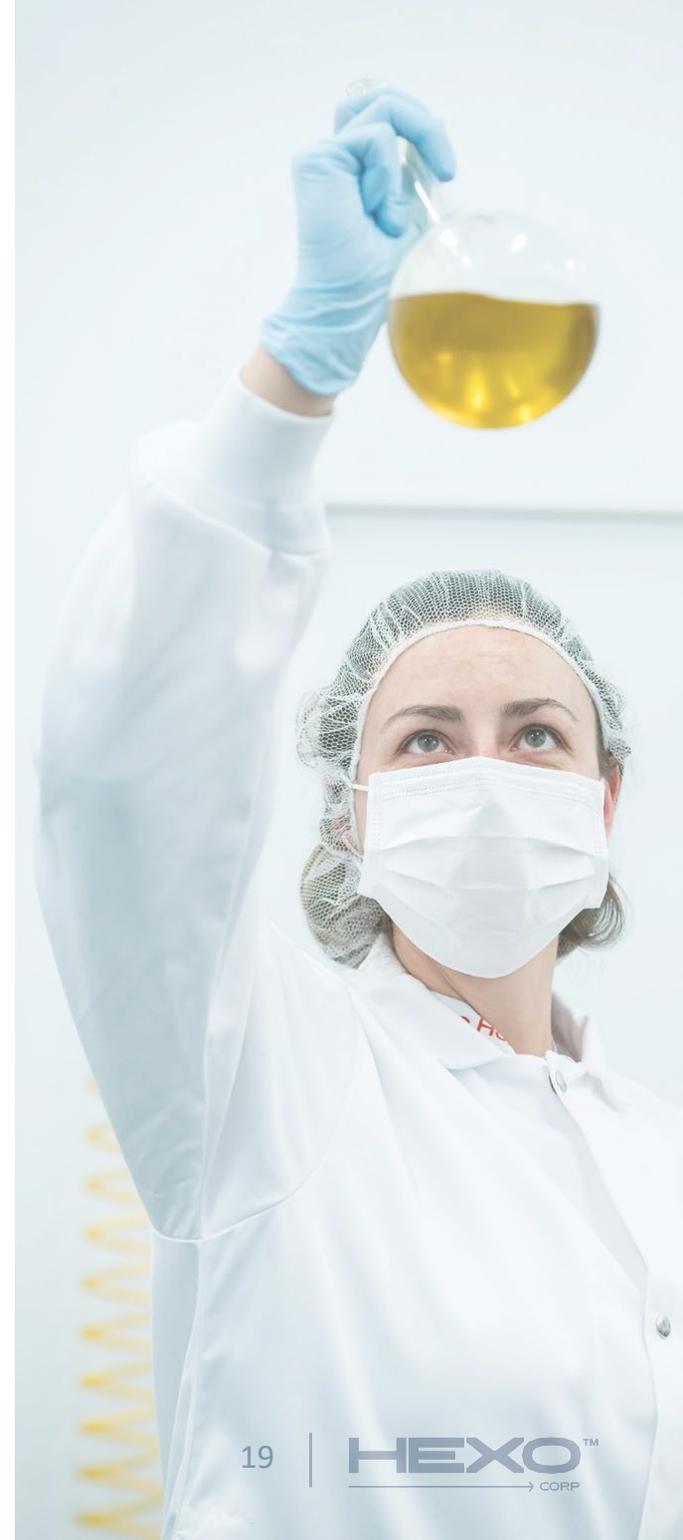
Share Capitalization ⁽²⁾

| | | |
|---------------------------|-------------|-------|
| Common shares outstanding | 122,385,969 | 73.7% |
| Warrants | 31,796,769 | 19.1% |
| Options | 8,603,566 | 5.2% |
| Restricted share units | 533,985 | 0.3% |
| Convertible debentures | 2,780,066 | 1.7% |
| Fully diluted | 166,100,355 | |

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

(1) Excludes impact of Cannabis Infused Beverage Division

(2) As of March 17, 2021



EXPERIENCED MANAGEMENT TEAM

Sébastien St-Louis | Co-founder & CEO



- HEXO Co-Founder and CEO for 8+ 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 and graduate of the University of Ottawa (Economics).

Trent MacDonald | Chief Financial Officer



- Brings over 15 years of financial executive experience working with large companies such as Sobeys Inc, Indigo Books & Music and Rx Drug Mart .
- B.B.A Hons (Accounting and Finance) from St. Francis Xavier University and Chartered Professional Accountant (CPA, CA).

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.

James McMillan | Chief Development Officer



- Brings 20+ years of experience in strategic business development and product innovation
- Extensive partnership creation with firms such as HP, VMware, Citrix, Cisco, Honeywell, Black & Decker
- Established track-record of building growth organizations and establishing lasting customer relationships.
- BCom (Marketing, Finance) Concordia University.

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 Quebec and the Ontario and Canadian Bar Associations.

INVESTMENT HIGHLIGHTS

- We are focused on operational excellence, product innovation and market leadership.
- Long term cost savings through automation and economies of scale with Belleville facility.
- Continue to maintain number one position in Quebec, the 2nd largest Canadian market.
- Expand throughout the United States and globally.
- Strong balance sheet with solid cash position and low debt.
- Continued lean CapEx plan while investing in R&D and intellectual property.
- Maintaining a targeted brand portfolio across all consumer segments, including brand and pricing strategies aimed at the illicit market.
- Dynamic partnerships with leading CPG companies through “Powered by HEXO®”.

HEXO CORP + ZENABIS GLOBAL

COMBINE TO CREATE AN INDUSTRY LEADING CANNABIS COMPANY

MARKET LEADER

Pro Forma LTM Net Cannabis Revenue of C\$150M¹. The combined HEXO and ZENA organization would be a top three licensed producer in terms of market share in adult use.

INTERNATIONAL PRESENCE

Bringing US forward in Colorado, with Truss USA. Established EU certified facility expands distribution capabilities allowing access to the European market.

SUPPLY CHAIN

Boosts production capacity to over 110,000kg of additional high-quality cannabis annually. Combining genetics labs, greenhouse and top-quality indoor production at scale.

¹Pro Forma, based upon most recent quarterly financial statements, excludes ZENA's propagation revenues

TRANSACTION OVERVIEW

| | |
|--|--|
| STRUCTURE | <ul style="list-style-type: none"> • 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, HEXO owners continue to hold their shares. • 19% Premium based upon the 20-day VWAP of each respective company as of February 12th, 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 | <ul style="list-style-type: none"> • 7 HEXO Board Members and Sebastien St-Louis as CEO. • 1 Zena Board Member to be nominated. |
| COMPANY INFORMATION | <ul style="list-style-type: none"> • HEXO Corp: TSX: HEXO; NYSE: HEXO • Zenabis Global, Ltd: TSX: ZENA |
| DOMICILE | <ul style="list-style-type: none"> • HEXO is a publicly traded company incorporated in Ontario, Canada. |
| CONDITIONS | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • Expected to Close in HEXO's Q4 2021. |

HEXO

→ CORP

INVESTOR RELATIONS

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