

This is Auxly.

2020 Annual General and Special Meeting of Shareholders

June 28, 2021

Auxly

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Use of Non-IFRS Measures

This presentation refers to Adjusted EBITDA because certain investors may use this information to assess the Company’s performance and also determine the Company’s ability to generate cash flow. This data is furnished to provide additional information and are non-IFRS measures and do not have any standardized meaning prescribed by IFRS. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the Company’s financial information reported under IFRS.

2020
In Review

One of the first
LPs to market with
2.0 products



#1 LP
in 2020 for
Cannabis 2.0
Product¹ Sales with
14% share of the
National 2.0
Market



19%
National market
share in Vapes

Launch of
Kolab Project's
grower series
collaborations



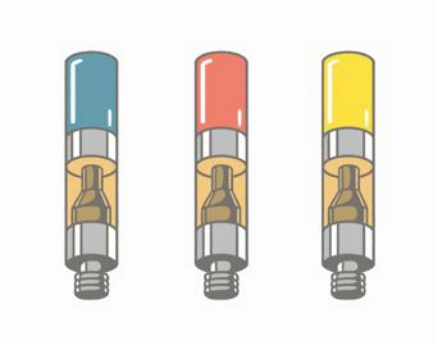
Launched its new
brand, Back
Forty, with three
unique, high-
potency vape
SKUs



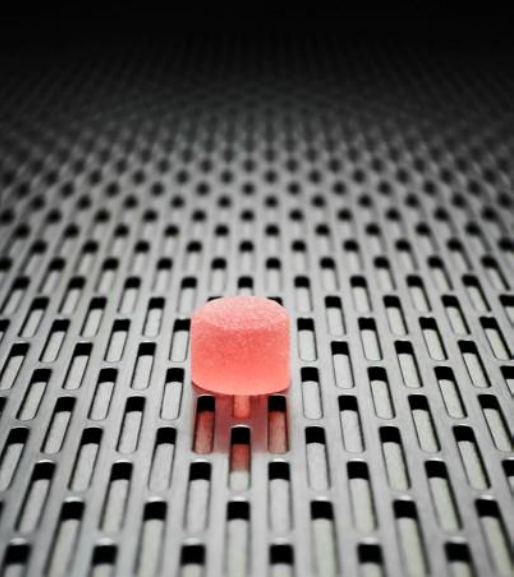
Launch of
Robinsons premium
craft dried flower



Successfully completed the
second-floor expansion at Dosecann,
increasing production, fulfillment rates
and sale of cannabis products



12%
National market
share in edibles



Source: Headset Canadian Insights as of January 2021.
1. Cannabis 2.0 is defined as vapes, edibles, beverages, extracts and topicals

The Cannabis Industry



Slower than Anticipated Industry Growth

Analysts estimated the 2020 market would be ~\$3-5B with actual sales only totaling \$2.6B



Capital Markets Pullback

Capital and credit markets across entire Canadian cannabis space have significantly pulled back



Pricing Volatility

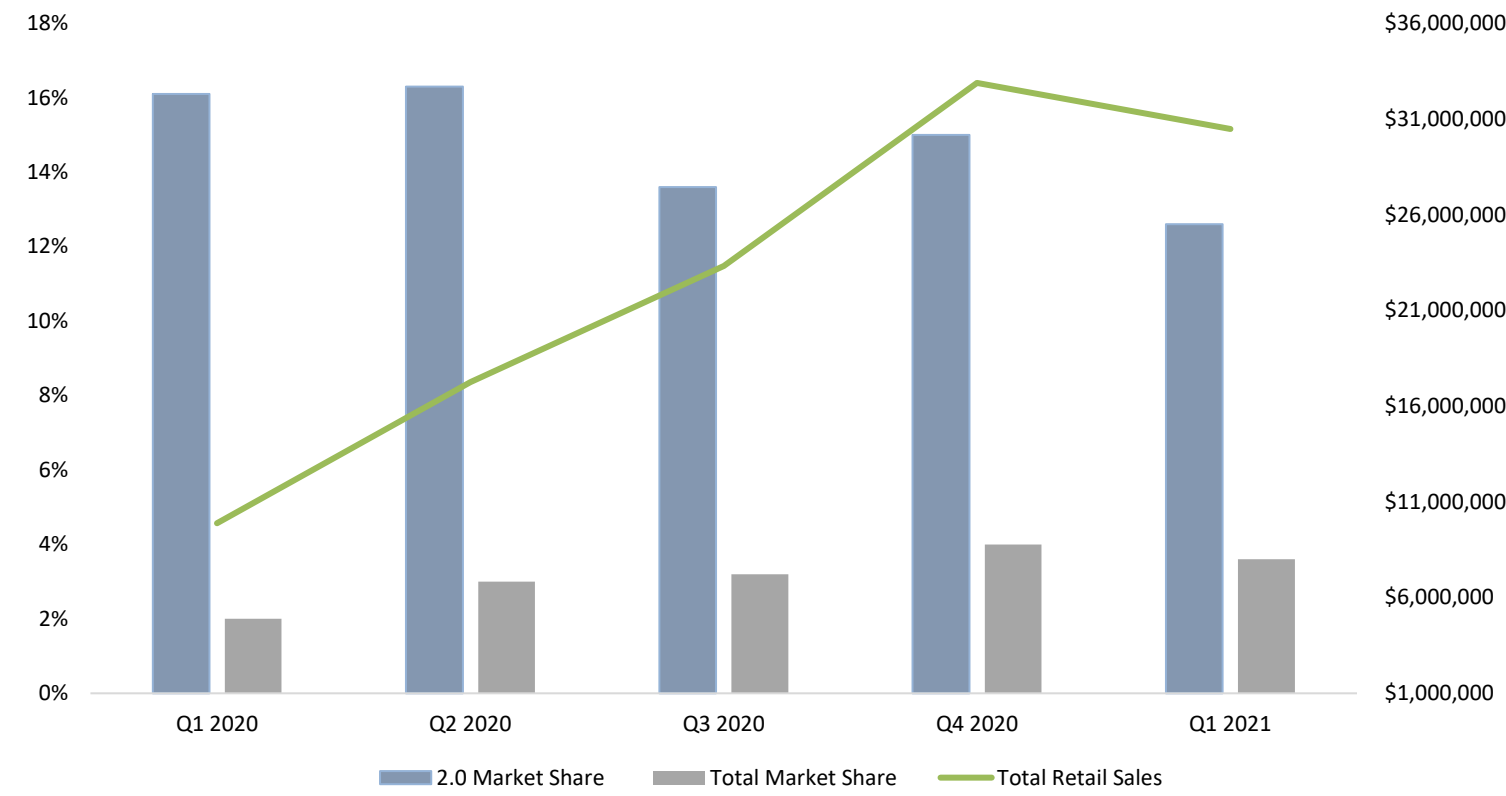
Pricing volatility and compression as market matures and competition intensifies

Auxly's Actions to Mitigate Impact of Challenges

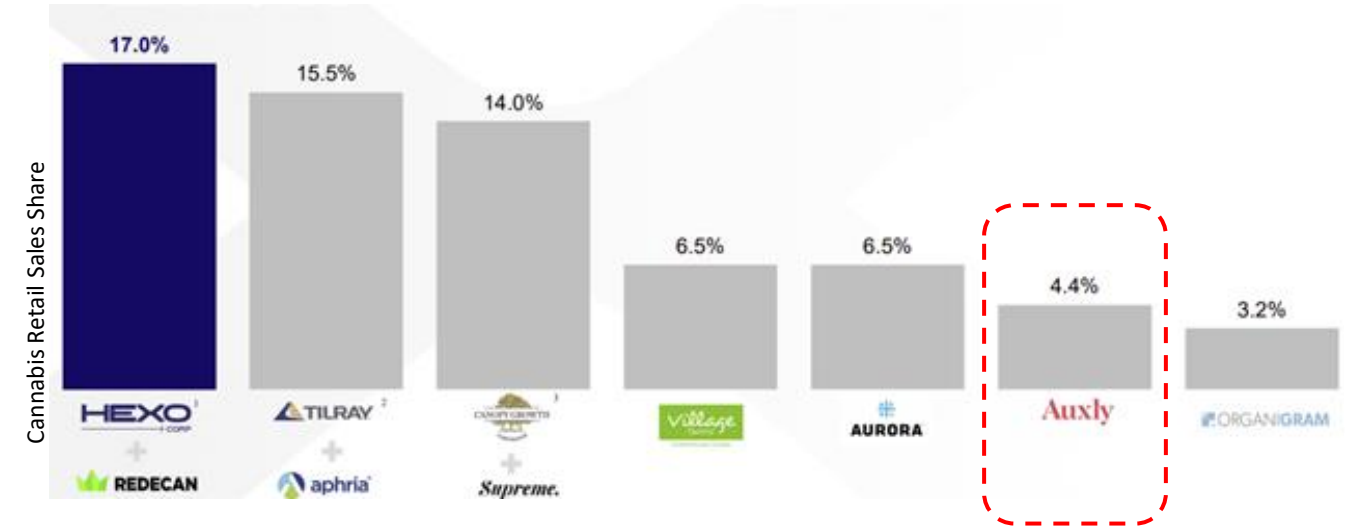
- Accelerated pre-roll launch to secure listings in key provincial markets
- Launched dried flower formats to address remaining ~75% of the total addressable market (Robinsons, Kolab and Back Forty)
- Worked with Kindred and retail partners to increase depth and breadth of distribution footprint
- Prudently accessed dilutive and non-dilutive financings
- Worked with Imperial to extend term of Debenture for 2 years and capitalizing interest
- Net SG&A, excluding share-based comp, reduced by approx. 20% throughout 2020, with further reductions in Q1 2021 declining another 5% from Q4 2020
- Worked with suppliers, vendors and product development teams to lower COGS
- Launched Back Forty brand to address more value-minded consumers (**now the #1 vape brand in Canada**)
- Repositioned portfolio to address consumer segment pricing expectations and create compelling price slope between brands and within brands (e.g. first to launch 1g vape cartridge format)
- Continued with planned automation investments in filling and packaging segments of the manufacturing process

Beating out larger competitors through focus and execution

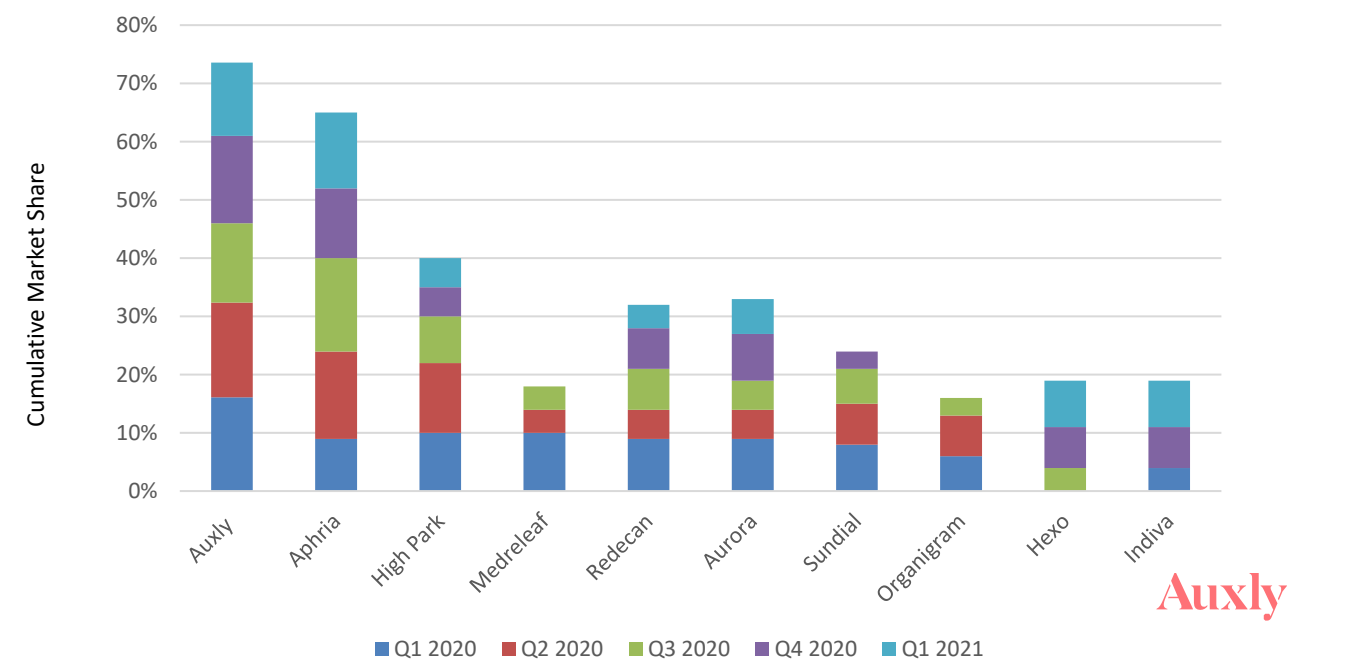
Auxly's National Market Share Overview¹



#6 Licensed Producer in Canada with 4.4% Total National²



Consistently Leading the 2.0 Market¹



This is Auxly / AGM 2020

1. Headset Canadian Insight. From Q1 2020 to Q1 2021
2. Mackie Research Capital Corporation as of April 2021. XLY total market share increased to 4.9% in the month of May 2021.



Building Significant Market Share

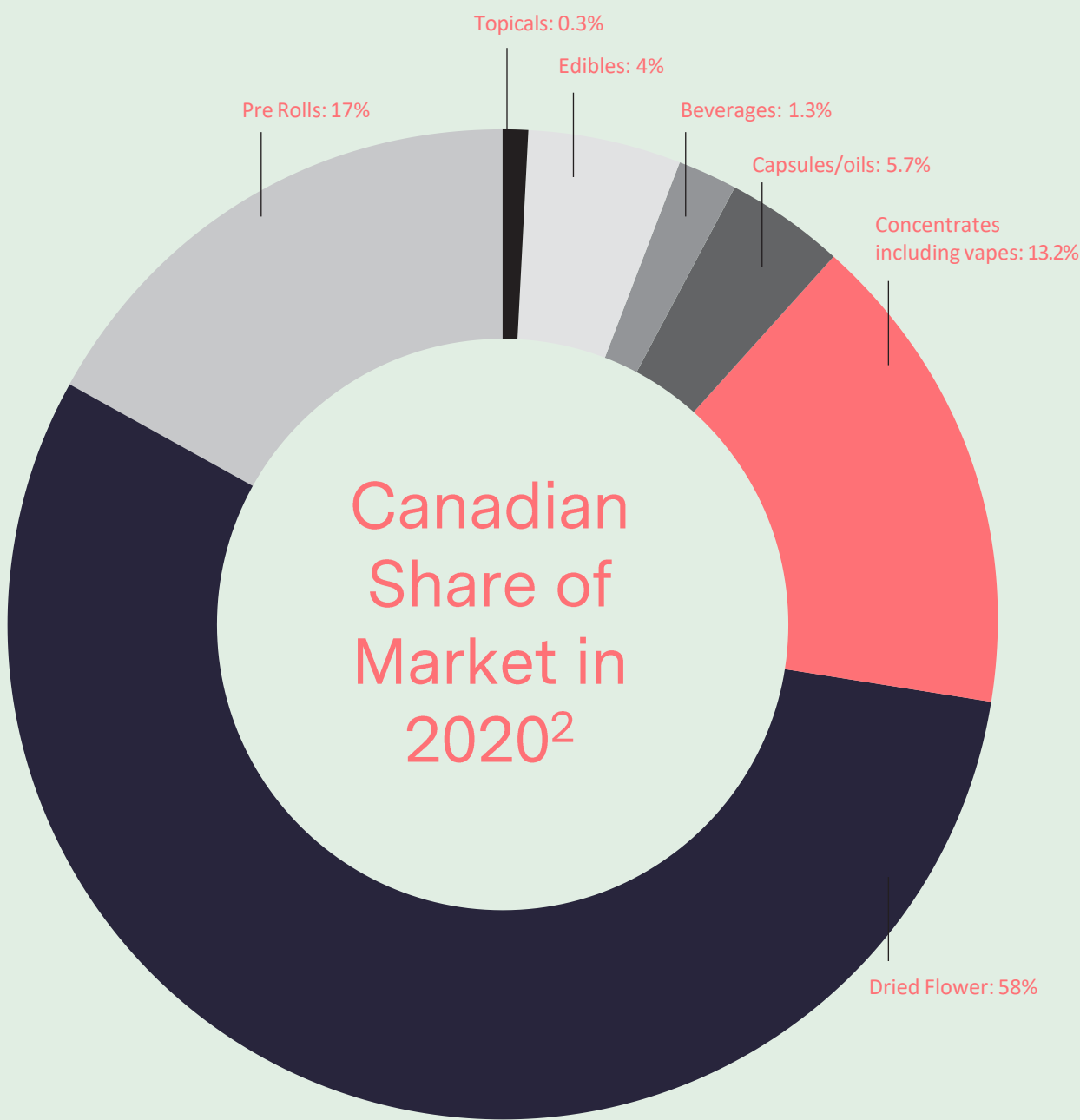
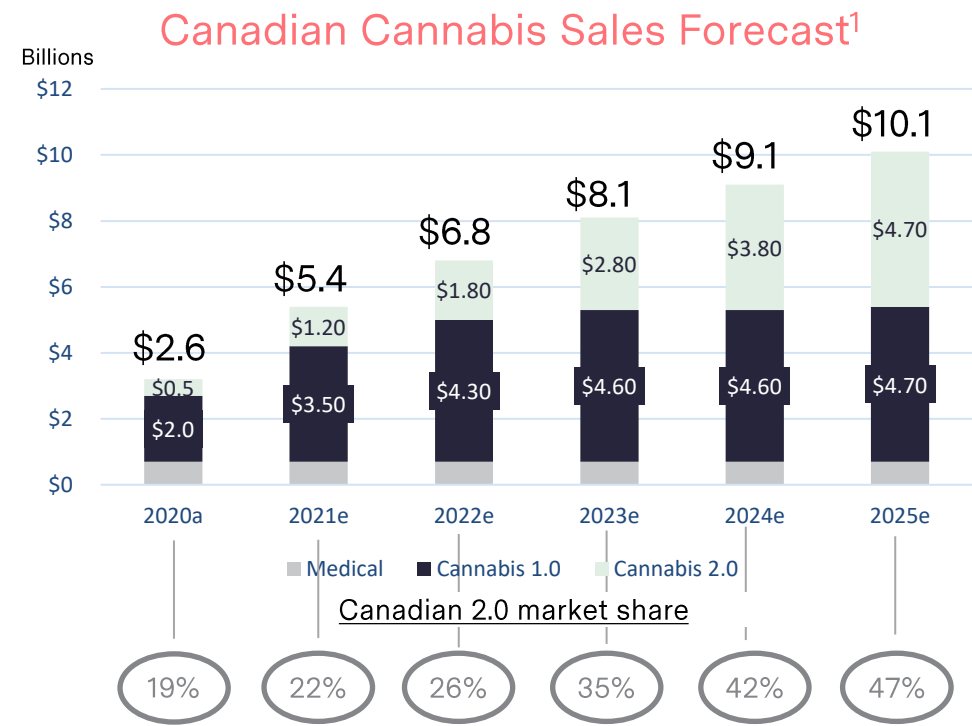
Cannabis 2.0 sales accounted for 19% of the Total Market.

The Canadian cannabis market is projected to reach \$10bn in sales by 2025

Cannabis 1.0 products continue to lead sales in the overall Canadian market

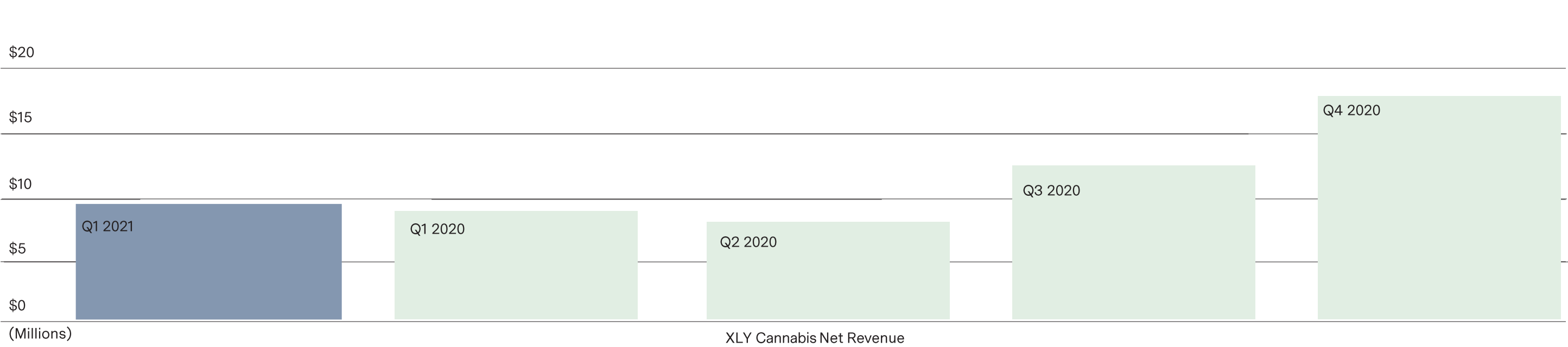
Cannabis 2.0 products continue to gain strong market share as new product formats are introduced to the market

Cannabis 2.0 sales are projected to be almost 50% of the total market by 2025



Strong growth in cannabis net revenue

Cannabis Net Revenue by Quarter



Path to Profitability

1.
Build upon our success as a market leader in Cannabis 2.0 Products
2.
Drive the company’s focused expansion of its cannabis 1.0 offerings
3.
Bring consumer-focused innovations and products to market
4.
Leverage the Sunens facility to establish a secure supply of low-cost, high-quality cannabis
5.
Targeting 30% blended gross margins
6.
Continue to improve cash flows and finance the business to fuel growth

2021 Strategic Priorities

MAINTAIN LEADERSHIP IN 2.0

Auxly will continue to be the #1 LP in the 2.0 segment and increase market share in the 2.0 product formats that we participate in.

BUILD TO LEADERSHIP IN DRIED FLOWER AND PRE- ROLLS

Auxly will become top 10 LP in the 1.0 segment of the market.

**ADJUSTED EBITDA
POSITIVE**

Auxly will become adjusted EBITDA positive by end of calendar year 2021.

BECOME TOP 5 LP BY TOTAL MARKET SHARE

Auxly will become a top 5 LP in recreational cannabis sales and share of market.

IMPROVE MARGINS AND GROW REVENUE WITH LOW-TO-NO OVERHEAD GROWTH

Auxly will continue to prudently manage its capital and achieve its strategic objectives with low-to-no overhead growth



A Series of Exciting Products Throughout the Year.

Continuously evolving our portfolio to meet consumer demands



APRIL 21 ————— DEC 21

Dosecann Daily Relief CBD Cream is a high-quality, high-potency cream designed to provide consumers with daily relief from aches and pains.

Back Forty and Kolab Project’s launch of format disruptive, unique, high potency and strain-specific pre-rolls.

Back Forty’s strain-specific and high THC potency dried flower offering, with the initial launch of Pine Kush, and further expanding Kolab Project’s Growers Series collaborations to include additional sought-after strains and format sizes.

Kolab Project will launch new, high-quality, single-strain concentrates extracted from fresh, flash-frozen cannabis flower.

Launching new and exciting chocolate and chew flavour profiles in our edible product category under Foray, Back Forty and Kolab Project for consumers to enjoy and celebrate special occasions.

Dosecann CBD AhiFlower oil, a high-potency CBD extract blend infused with omega-rich AhiFlower Oil and a built-in dropper that delivers 2.5 mg of CBD over 4 drops.

New distinct vape flavour profiles and formats including premium, live terpene carts containing flavourful terp sauce, developed using flash-frozen, single-strain flower, which preserves the natural terpene profile found in the cannabis plant.



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