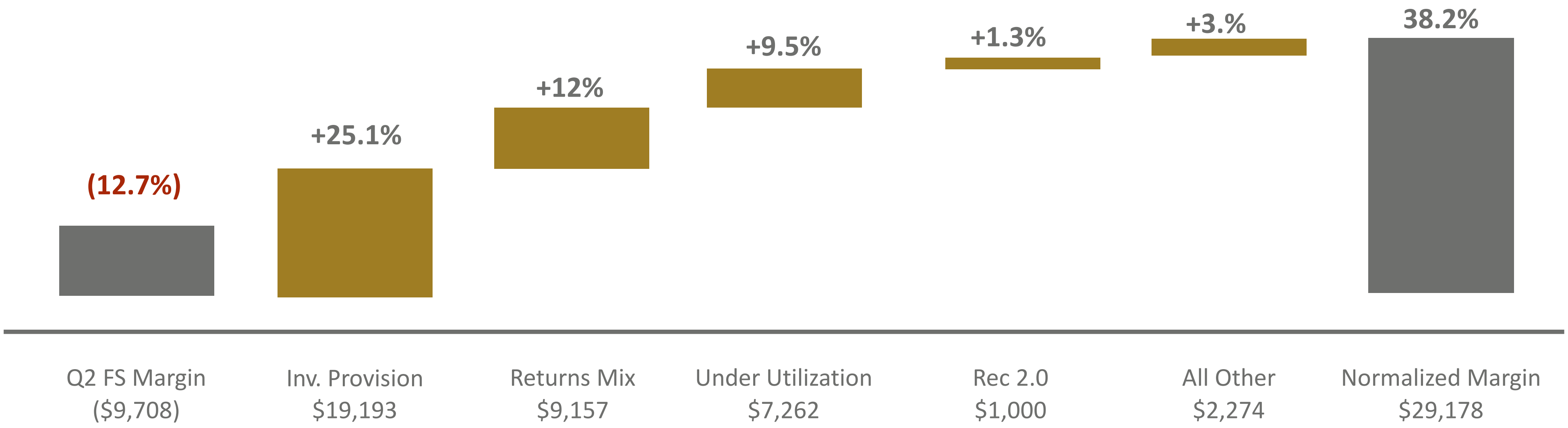
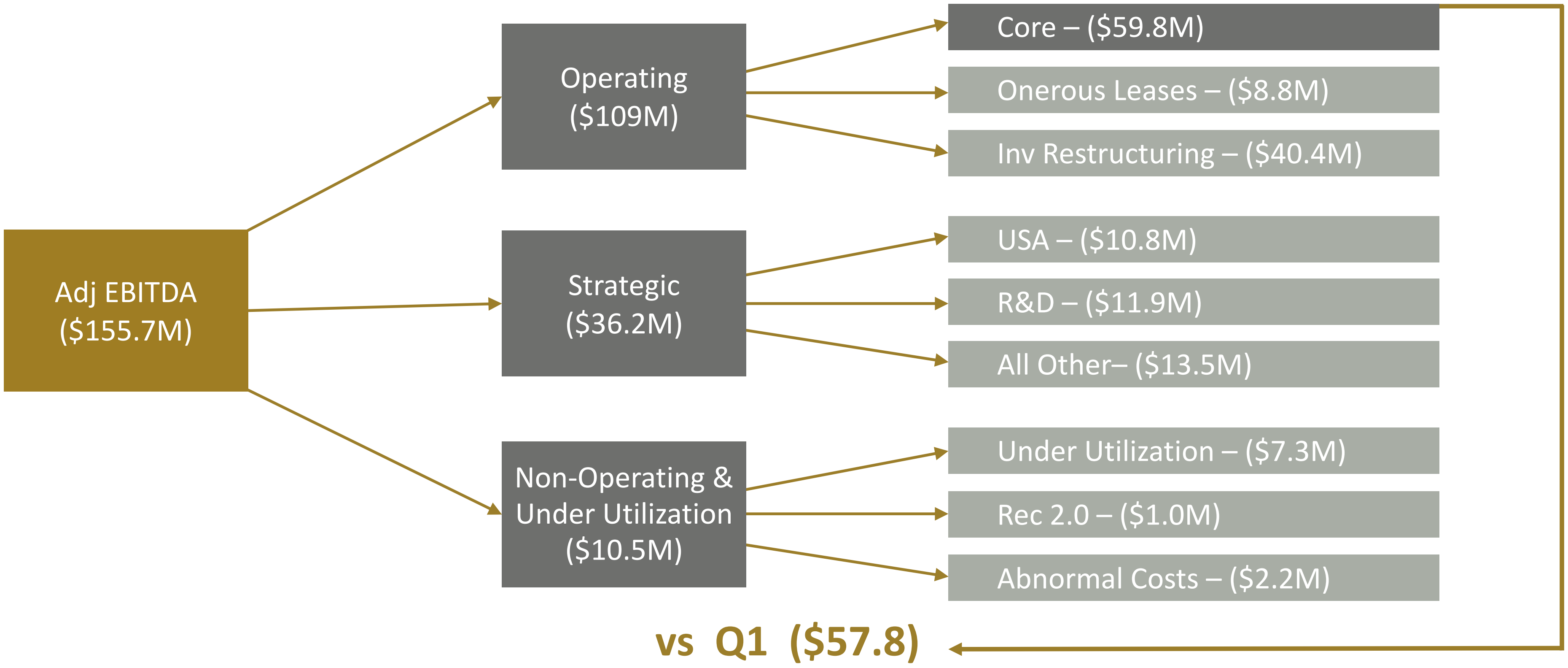
ITEM 1: BREAKING DOWN MARGINS – Q2 MARGIN WALK TO NORMALIZED MARGINS



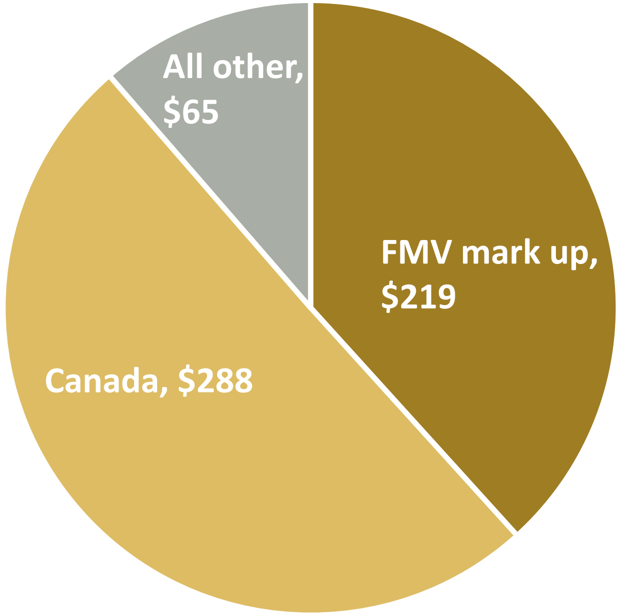
Inventory Provision		Returns Drag On Mix		Under Utilization		Recreation 2.0 Infrastructure		All Other Abnormal Costs	
Oils & Soft Gels	$16.0MM	20% Margin $26.7M Rev	$5.3MM	Canada (BC/SF/KL)	$3.3MM	Smiths Falls	$1.0MM	True-Ups	$0.8MM
Scarborough Trim & Other	$3.2MM	Price Impact Outside Q2	$3.9MM	Int'l (LATAM, Denmark)	$4.0MM			Generator Rentals	$1.5MM

ITEM 2: BREAKING DOWN ADJUSTED EBITDA



ITEM 3: INVENTORY, SUPPLY & DEMAND – FURTHER DETAILS

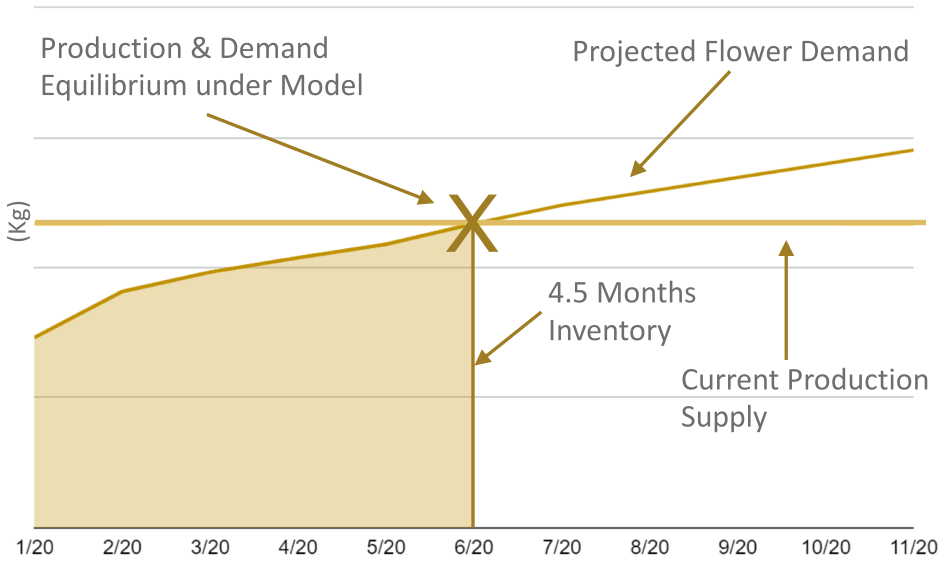
Total Inventory $572M



- As of 9/30/19, Canopy held **$461.8M** of inventory and **$110.3M** of biological assets, for a total of **$572.1M**.
- Included is **$219M** of fair value adjustments, which are adjusted quarterly based on net realizable value calculations.
- All other inventory & biological assets of **$65M** pertain to international locations, including US Hemp farming costs, C3 inventory, S&B inventory, etc.
- Canada inventory and biological assets **at cost** is **$288M**, and includes raw materials, consumables, semi-finished goods such as resin and isolate, WIP and finished goods across all product formats.

ITEM 3: INVENTORY, SUPPLY & DEMAND — FURTHER DETAILS

Flower Supply & Demand Modeling



- The Company continually models projected demand versus production capacity across many scenarios, largely driven by number of store openings.
- This models an incremental 40 new stores monthly in Ontario starting in January 2020*, along with a range of assumptions.
- In this scenario, current production and demand equalize in June 2020, with 4.5 months of accumulated inventory.

* Alberta added approx. 40 stores per month for the 5 months ended Sep 2019.