CANOPY GROWTH CORPORATION

BofA Securities Consumer & Retail Technology Conference
March 9-11, 2021
DISCLAIMERS AND CAUTIONARY STATEMENTS

This presentation contains “forward-looking statements” and “forward-looking information” within the meaning of applicable U.S. and Canadian securities laws (collectively, “forward-looking statements”), which involve certain known and unknown risks and uncertainties. Forward-looking statements predict or describe our future operations, business plans, business and investment strategies and the performance of our investments. These forward-looking statements are generally identified by their use of such terms and phrases as “intend,” “goal,” “strategy,” “estimate,” “expect,” “project,” “projections,” “forecasts,” “plans,” “seeks,” “anticipates,” “potential,” “proposed,” “will,” “should,” “could,” “would,” “may,” “likely,” “designed to,” “foreseeable future,” “believe,” “scheduled” and other similar expressions. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statement was made. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive risks, financial results, results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. A discussion of some of the material factors applicable to Canopy Growth Corporation (“Canopy”) can be found under the section entitled “Risk Factors” in Canopy’s Annual Report on Form 10-K for the year ended March 31, 2020, filed with the Securities and Exchange Commission and with applicable Canadian securities regulators, as such factors may be further updated from time to time in its periodic filings with the Securities and Exchange Commission and with applicable Canadian securities regulators, which can be accessed at www.sec.gov/edgar and www.sedar.com, respectively. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this presentation and in the filings. Any forward-looking statement included in this presentation is made as of the date of this presentation and, except as required by law, Canopy disclaims any obligation to update or revise any forward-looking statement. Forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.
NON-GAAP MEASURES

Adjusted EBITDA is a non-GAAP measure used by management that is not defined by U.S. GAAP and may not be comparable to similar measures presented by other companies. Adjusted EBITDA is calculated as the reported net loss, adjusted to exclude income tax recovery (expense); other income (expense), net; loss on equity method investments; share-based compensation expense; depreciation and amortization expense; asset impairment and restructuring costs; expected credit losses on financial assets and related charges; restructuring costs recorded in cost of goods sold; and charges related to the flow-through of inventory step-up on business combinations, and further adjusted to remove acquisition-related costs. The Adjusted EBITDA reconciliation is presented within the earnings press release of Canopy dated February 9, 2021 and explained in Canopy’s Quarterly Report on Form 10-Q for the period ended December 31, 2020, filed with the Securities and Exchange Commission and with applicable Canadian securities regulators, which can be accessed at www.sec.gov/edgar and www.sedar.com, respectively.

Adjusted Gross Margin and Adjusted Gross Margin Percentage are non-GAAP measures used by management that are not defined by U.S. GAAP and may not be comparable to similar measures presented by other companies. Adjusted Gross Margin is calculated as gross margin excluding restructuring costs recorded in cost of goods sold. Adjusted Gross Margin Percentage is calculated as Adjusted Gross Margin divided by net revenue. The Adjusted Gross Margin reconciliation is presented within the earnings press release of Canopy dated February 9, 2021 available on Canopy’s EDGAR and SEDAR pages which can be accessed at www.sec.gov/edgar and www.sedar.com, respectively.

Free Cash Flow is a non-GAAP measure used by management that is not defined by U.S. GAAP and may not be comparable to similar measures presented by other companies. This measure is calculated as net cash provided by (used in) operating activities less purchases of and deposits on property, plant and equipment. The Free Cash Flow reconciliation is presented within the earnings press release of Canopy dated February 9, 2021 and explained in the Company’s Quarterly Report on Form 10-Q for the period ended December 31, 2020, filed with the Securities and Exchange Commission and with applicable Canadian securities regulators, which can be accessed at www.sec.gov/edgar and www.sedar.com, respectively.
KEY TAKEAWAYS

- Business **transformation** gaining traction
- Building a track record of **winning** in our core markets
- Improving our commercial and operational **execution**
- **Accelerating** our US growth strategy
- Focused on generating **profitable growth** and **superior shareholder value**
KEY HIGHLIGHTS

1. Strong management team with significant CPG experience and a focus on profitability and cash flow

2. Leader in the cannabis industry with significant financial scale and operational know-how

3. Preeminent and consumer-centric Canadian business with growing market share

4. Scalable US business with multiple levers to capture growth upon federal permissibility of cannabis

5. Constellation Brands’ support, commitment and partnership through C$5.8bn of invested capital

6. Strong revenue growth, expanding margins and robust expected cash flow generation

7. Well-capitalized balance sheet with C$1.6bn of cash and cash equivalents on hand¹

8. Strong management team with significant CPG experience and a focus on profitability and cash flow

¹ Includes cash & cash equivalents and short-term investments as of December 31, 2020
FOCUSED STRATEGY

INSIGHTS AND INNOVATION

• Know the current cannabis consumer and potential consumer, and define consumer preferred products
• Deploy best-in-class science against CPG product opportunities
• Results: Insights drove flower quality improvements that have been well received; evolution of Canada Rec flower roadmap

QUALITY EXECUTION

• Deliver consumer preferred products at the right time at the right price
• Design-to-Value approach
• Results: Integrated business planning and flexible manufacturing have significantly increased fill rates

FOCUS MARKETS

• Prioritize three core markets—Canada, US, Germany
• Building US Ecosystem in preparation for entry into US THC market when federally permissible
• Results: Revised arrangement with Acreage Holdings; Strengthened US CBD with successful launch of Martha Stewart CBD

INDUSTRY STANDARD

• Lead the next phase of industry evolution
• Pioneer "Growing Good"
• Embrace ESG to unlock company value, strengthen stakeholder connection and provide sector leadership
• Results: Co-founder of United States Cannabis Council; Initiated development of ESG Strategy
CGC’S CORE MARKETS TO REACH $20BN SALES BY 2023

Total TAM retail sales for Canada, US CBD, and Germany:
$20B by 2023

Over $60BN in TAM upon federal permissibility of THC in US

Source: CGC internal estimates, in CAD, by calendar year.
CANADA—DRIVERS OF TAM GROWTH

Convert Illicit to Legal:
Less than 50% of Canadian consumer say they buy cannabis in legal dispensaries

Legal market could become 85% of total Cannabis Recreational sales in Canada by 2023

<table>
<thead>
<tr>
<th>Year</th>
<th>Legal</th>
<th>Illicit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>2020</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>2023E</td>
<td>85%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Growth in store count a key driver of legal market growth

<table>
<thead>
<tr>
<th>Year</th>
<th># of Retail Stores</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>500</td>
</tr>
<tr>
<td>2020</td>
<td>1,300+ stores at the end of 2020</td>
</tr>
<tr>
<td>2021E</td>
<td>2,000</td>
</tr>
<tr>
<td>2022E</td>
<td>2,500</td>
</tr>
<tr>
<td>2023E</td>
<td>3,000</td>
</tr>
</tbody>
</table>

Source: CGC Internal Estimates, by calendar year
CANADA—DRIVERS OF TAM GROWTH

Recruit new consumers through 2.0 products:

17% of Canadian adults say they intend to use recreational cannabis

5% of total alcoholic beverages and functional beverages equate to a $1.3bn opportunity for cannabis-infused beverages in Canada

Source: A combination of CGC Internal Estimates and Stats Can Data, in CAD
DRIVE MARKET SHARE GROWTH IN CANADA

KEY OPPORTUNITIES

- A more focused portfolio of products
- Improve our share in the growing value segment
- Win in 2.0 products
- Drive quality across our product portfolio

KEY ACTIONS

- SKU rationalization
- Refined pricing and packaging across flower, pre-roll and vapes
- Improved customer order fill rates
- Improved new product launch process
- Flower quality improvement plan driven by consumer insights work
IMPROVING CANADIAN MARKET SHARE

CANADIAN REC
15.7%

#1 market share position in the Canadian Rec market during Q3*

ALBERTA REC
10.8%

BRITISH COLUMBIA REC
10.3%

ONTARIO REC
9.4%

Rebounded in January with 150bps increase. #2 market share in January*

1. Weighted $ share of Canadian rec market, Bps improvement Q3 2021 over Q2 2021*
2. $ share of Alberta rec market, Bps improvement Q3 2021 over Q2 2021*
3. $ share of British Columbia rec market, Bps improvement Q3 2021 over Q2 2021*
4. $ share of Ontario rec market, Bps improvement Q3 2021 over Q2 2021*

* Source: internal proprietary market share tool that utilizes point of sales data supplied by a third-party data provider, government agencies and our own retail store operations across the country. Tool captures point of sale data from an average of 39% of stores in AB, BC, SK, MB and NFld & Labrador, point of sale data from 100% of stores in NB, NS and PEI, as well as depletions and ecommerce sales data from the OCS.
US CBD MARKET IS GROWING QUICKLY

US CBD Retail Sales by Products, CAD in ’000s

CBD Product CAGR (2020-2023)

- Beverages: 90%
- Food: 70%
- Confections: 60%
- Capsules: 50%
- Pet Care: 40%
- Topicals: 30%
- Flower: 20%
- Vape: 10%
- Beauty/Skin: 0%
- Oils: 0%

Source: CGC internal estimates, in CAD, by calendar year.
Martha Stewart health and wellness CBD products already outselling over 94% of all CBD brands in the US in just 4 months since launch

Over 40% of all media coverage across the CBD category during Q3 2021

Quatreau CBD beverages launched in the US in March 2021

National Direct-Store-Delivery (DSD) coverage for Biosteel’s Ready-to-Drink (RTD) beverages in place with Constellation’s beer distributor network

Sports sponsorship with the Dallas Mavericks, Toronto Raptors, Philadelphia 76ers, and The U.S. Soccer Federation

Recent appointment of Luka Dončić as Global Chief Hydration Officer

S&B vaporizer products continued to see solid growth driven by strong consumer pull

This Works strengthened direct (TW.com, shopcanopy.com) and third-party e-commerce sales channels
BUILDING A CANNABIS AND HEMP POWERHOUSE WITH SIGNIFICANT OPTIONALITY IN THE US UPON FEDERAL PERMISSIBILITY

Invest in Scalable Brands
• Bring our THC brands into the US market through Multi-State Operator (”MSO”) licensing or hemp-derived CBD extensions
• Create new CBD brands to meet consumer needs and desires
• Lead route-to-market and portfolio development with CPG brands

US MSO Relationships
• Positioned for an accelerated entry into US THC through existing relationships with Acreage & TerrAscend
• Path to deploy Canopy’s IP into the US to build brand awareness and association

Constellation Brands
• Investment grade balance sheet strength and access to banking
• Leverage Constellation’s powerful distributor network and key account relationships
• Sharing of best practices across Insights, R&D, and Operations
• Government Relations and Legal teams joint engagement with officials

Retail Banners
• Tokyo Smoke and Tweed retail store banners to build brand awareness
• Innovation testing ground
• Collection of sales data to drive Insights & Innovation
Quarterly Flower Category Share by Price Tier¹

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY21</th>
<th>Q2 FY21</th>
<th>Q3 FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>35%</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>Mainstream</td>
<td>32%</td>
<td>37%</td>
<td>39%</td>
</tr>
<tr>
<td>Premium and Above</td>
<td>30%</td>
<td>31%</td>
<td>33%</td>
</tr>
</tbody>
</table>

Market Share Improvements
Q3 2021 vs. Q2 2021

- REC FLOWER² 19.2% increase
- VALUE REC FLOWER³ 16.8% increase

1. Canadian rec flower market, not specific to Canopy’s performance. Figures may not add up to 100% due to rounding*
2. Weighted $ share of Canadian rec flower market, Bps improvement Q3 2021 over Q2 2021*
3. $ share of Ontario value rec flower market, Bps improvement Q3 2021 over Q2 2021*

* Source: Internal proprietary market share tool that utilizes point of sale data supplied by a third-party data provider, government agencies and our own retail store operations across the country. Tool captures point of sale data from an average of 39% of stores in AB, BC, SK, MB and NL, and Labrador, point of sale data from 100% of stores in NB, NS and PEI, as well as deletions and e-commerce sales data from the OCS.
Our largest ever cannabis consumer study is complete
Provided drivers for satisfaction, quality and willingness to pay

Launched 4 new genetic strains under the Tweed brand exclusively in Québec, finding early indicators of success

- Key findings include that overall flower consumer satisfaction is driven by the end-to-end experience including shopping experience, appearance, aroma, taste and effect, in addition to THC level and price
- Created a roadmap of future product renovation and innovation across all flower segments entering the market over the coming months
- Our Design-to-Value approach ensures that we are being purposeful in adding features and benefits that consumers are willing to pay up for
- These insights are being incorporated in our product offerings, including a shift to using the genetic strain names on Tweed products

1. CGC study that included a number of qualitative, in-depth interviews with focus groups, followed by a quantitative survey of 2,500 consumers across Canada.
PRODUCTS—BEVERAGES

- 9 ready-to-drink cannabis-infused beverages, including 4 CBD beverages, in the Canadian recreational market
- Quatreau CBD beverages launched in Q3; brand has already become the #1 Ready to Drink CBD beverage brand¹
- Canopy beverages captured 34% market share in Q3², even as new beverage brands have entered the marketplace.
- Canopy beverages retained the top 3 brands and have commanded higher velocity versus competitive set on a per SKU basis during Q3*
- Total beverage category sales grew 25% in Q3; now accounts for ~2% of total cannabis sales³

¹ Weighted $ share of Canadian CBD beverage market in Q3 FY21*
² Weighted $ share of Canadian cannabis beverage market in Q3 FY21*
³ Canadian cannabis beverage market, not specific to Canopy’s performance
*Source: internal proprietary market share tool that utilizes point of sales data supplied by a third-party data provider, government agencies and our own retail store operations across the country. Tool captures point of sale data from an average of 39% of stores in AB, BC, SK, MB and Nfld & Labrador, point of sale data from 100% of stores in NB, NS and PEI, as well as depletions and e-commerce sales data from the OCS.
BioSteel ready-to-drink beverages beginning to hit key retailers’ shelves through Constellation’s beer distribution network

Quatreau
Ready-to-drink CBD beverages in US market now
HAPPY 20TH ANNIVERSARY
STORZ & BICKEL

• Designer and manufacturer of medically approved vaporizers that are distributed in both medical and recreational channels

• S&B vaporizer products continued to see strong growth driven by strengthened distribution and strong consumer pull

• Added an additional shift to keep up with demand and plan to triple production capacity by next summer.

• S&B released 100 gold-plated commemorative edition Volcano Classic vaporizers in celebration of its 20th anniversary
**PRODUCTS—VAPES**

**Tokyo Smoke Luma** - UL 8139 certified vape system w/ rechargeable batteries feature precise ceramic heating technology and feature intent-colored mouthpieces. Pause, Go, and Equalize cartridges in market now.

**510 Rechargeable Battery Vape Pen** w/ buttonless activation, UL 8139 certified 510 cartridges. Tweed Houndstooth, Tweed Bakerstreet, Twd. Indica, and Twd. Sativa cartridges in market now.
PRODUCTS—EDIBLES

Twd. Gummies in Ontario market now

Martha Stewart CBD Wellness Gummies in US market
Canopy Animal Health has been granted the right to display the Quality Seal from the NASC (National Animal Supplement Council) on CBD products for dogs.

**SurityPro** CBD products for dogs are formulated to deliver the highest amount of CBD per body weight. **Martha Stewart CBD for Pet** includes oil drops and soft-baked chews in three flavors and formulas.
TW strengthened direct and third-party e-comm sales channels

Stress Check hand sanitizer launched in US

Additional product lines and expanded distribution expected in the coming months

CBD Boosters available online in the UK / US

First & Free CBD portfolio includes softgels and oil drops
## TRACKING OUR KPI

- **Canadian Recreational markets share up 30bps to 15.7% in Q3 2021 vs Q2 2021**
- **Maintained a leading market share in Germany flower business**
- **Net sales grew 23% year-on-year**
- **Fill rates in Canada up to 98%**
- **Adjusted Gross Margin improved to 26% in Q3 2021, up from 19% in Q2 2021**
- **Total SG&A expenses declined by 15% versus Q3 2020**
- **Both Working Capital and CapEx trends improved year-over-year**

### WIN WITH CONSUMER

<table>
<thead>
<tr>
<th></th>
<th>Q4 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1 or #2 Market Share in Canada</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#1 or #2 Market Share in US</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#1 or #2 Market Share in Germany</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales Growth (YoY)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### QUALITY EXECUTION

- Customer Order Fill Rate<sup>1</sup>
- Stock Out at Retail

### ACHIEVE PROFITABILITY

- Gross Margin<sup>2</sup>
- SG&A Ratio Trend<sup>3</sup>

### ACHIEVE POSITIVE CASH FLOW

- Working Capital Trend<sup>4</sup> N/A
- Capex Trend<sup>5</sup>

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1. Customer Order Fill Rate: Target of at least 95% in order attainment (inventory availability per plan)
2. Gross Margin: Near-term target of 40%
3. SG&A Ratio Trend: Target declining trend in SG&A as % of sales
4. Working Capital Trend: Target a declining trend in working capital
5. Capex Trend: Target a declining trend in capex
6. Weighted S share of Canadian Market; Source: Internal proprietary market share tool that utilizes point of sale data supplied by a third-party data provider, government agencies and our own retail store operations across the country. Tool captures point of sale data from an average of 39% of stores in AB, BC, SK, MB and Nfld & Labrador, point of sale data from 100% of stores in NB, NS and PEI, as well as deletions and ecommerce sales data from the OCS.

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# MEDIUM-TERM FINANCIAL TARGETS

<table>
<thead>
<tr>
<th>3-Year Targets (FY 2022 – FY 2024)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Revenue</strong></td>
</tr>
<tr>
<td>• 40%-50% CAGR</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
</tr>
<tr>
<td>• Positive Adjusted EBITDA during the second half of FY 2022;</td>
</tr>
<tr>
<td>• 20% Adjusted EBITDA Margin for the full year FY 2024</td>
</tr>
<tr>
<td><strong>Cash Flow</strong></td>
</tr>
<tr>
<td>• Positive Operating Cash Flow for the full year FY 2023;</td>
</tr>
<tr>
<td>• Positive Free Cash Flow for the full year FY 2024</td>
</tr>
</tbody>
</table>
DRIVERS OF THE PATH TO PROFITABILITY

Robust Top-Line Growth

Gross Margin Improvement

Operating Expense Reduction

Disciplined Capital Allocation

Profitability and Positive Free Cash Flow
PATH TO ACHIEVING PROFITABILITY DURING FY 2022

**Highlights**

- **FY 2021** Adjusted EBITDA loss tied to ramp-up of new industry, R&D investments, and suboptimal cost structure
- **Business growth** driven by incremental revenue
- **COGS improvement** driven by program of initiatives supported by the end-to-end supply chain review program already underway with facility closures
- **SG&A** net improvement driven by retirement of Canopy Rivers ownership, office space & facility optimization, and organization design efficiencies reducing run-rate cost structure
REVENUE GROWTH DRIVERS

40%-50% FY 2022 – FY 2024 CAGR

**Canada Cannabis Drivers:**
- Canadian recreational market growth of 40% in FY 2022, 25%-30% CAGR from FY 2022 to FY 2024
- CGC’s recreational sales growth to be driven by overall market growth and market share gains
- CGC’s medical sales growth to be driven by market share gains in a stable-to-declining Canadian medical market

**International Medical Cannabis Drivers:**
- C3 and Germany wholesale medical sales growth to be driven by the growth in the German medical market

**US CBD Drivers:**
- CGC’s growth to be driven by distribution expansion and innovation under CBD-focused brands

**Non-Cannabis Drivers:**
- **BioSteel** growth to be driven by distribution expansion of Ready-to-Drink (RTD) beverages in the US
- **Storz & Bickel** growth to be driven by strengthened distribution in the US and new product launches
- **This Works** growth to be driven by expanded distribution and new product launches
**COST SAVINGS TARGETS**

**$150-$200MM Cost Savings Expected in 12-18MOS**

<table>
<thead>
<tr>
<th>COGS Savings Target (MM)</th>
<th>SG&amp;A Savings Target (MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Network optimization $50-$60</td>
<td>• Organization design efficiencies &amp; Others $20-30</td>
</tr>
<tr>
<td>• SKU / Cultivar complexity $15</td>
<td>• Office space &amp; facility optimization $10-20</td>
</tr>
<tr>
<td>• Operating model optimization $15</td>
<td>• Indirect procurement savings $10-20</td>
</tr>
<tr>
<td>• Logistics &amp; others $20-$30</td>
<td>• Retirement of Rivers’ ownership $10</td>
</tr>
<tr>
<td>• Total COGS Savings $100-$120</td>
<td>• Total SG&amp;A Savings $50-$80</td>
</tr>
</tbody>
</table>

Work already underway to achieve majority of the targeted cost savings in FY 22:

- Changes to Canadian operations announced in December 2020
- Canopy Rivers’ divestiture expected to close by end of February
- Implementation of various work streams underway
DISCIPLINED CAPITAL ALLOCATION

Free Cash Flow Outlook:
- Positive Operating Cash Flow for the full year FY 2023
- Positive Free Cash Flow for the full year FY 2024

CapEx Outlook:
- Below $200mm in FY 2021 & FY 2022
- Key CapEx items in FY 2021 & FY 2022: SAP Implementation, US Advanced Manufacturing Investments, C3 production facility expansion and S&B facility and other capabilities expansion
- Mostly maintenance Capex starting in FY 2023 – assume 5%-6% of Net Sales

Maintain Balance Sheet Flexibility
- $1.6bn of cash & short-term investments at the end of Q3 2021
- $600mm in convertible debt due in FY 2023 (conversion price C$48.18)
- Continue to explore financing options to provide additional flexibility to pursue potential growth investments and opportunities
Q3 2021 FINANCIAL RESULTS
# Q3 2021 Key Financial Highlights

<table>
<thead>
<tr>
<th>(CDN in millions)</th>
<th>Q3 2021</th>
<th>Q3 2020</th>
<th>vs. Q3 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue</td>
<td>$152.5</td>
<td>$123.8</td>
<td>23%</td>
</tr>
<tr>
<td>Adjusted Gross Margin</td>
<td>26%</td>
<td>31%</td>
<td>(5pp)</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>($68.4)</td>
<td>($97.0)</td>
<td>29%</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>($135.4)</td>
<td>($360.6)</td>
<td>62%</td>
</tr>
<tr>
<td>Cash/Marketable Secs.</td>
<td>$1,593.5</td>
<td>$2,267.6</td>
<td>(30%)</td>
</tr>
</tbody>
</table>

**Key Takeaways**

- Net revenue increased 23% year-over-year, which includes $99mm in net cannabis revenue.
- Adjusted EBITDA loss narrowed to ($68.4mm).
- Free Cash Flow of ($135.4mm) was a 62% improvement versus Q3 2020.
- Cash and Short-term Investments of nearly $1.6 billion at the end of Q3 2021.

Adjusted EBITDA and Free Cash Flow are Non-GAAP measures.
## REVENUE PERFORMANCE BY SEGMENT

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q3 2021 (CDN in millions)</th>
<th>Q3 2020</th>
<th>vs. Q3 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian Recreational Net Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B2B</td>
<td>$43.1</td>
<td>$43.0</td>
<td>NM</td>
</tr>
<tr>
<td>B2C</td>
<td>$20.2</td>
<td>$15.2</td>
<td>33%</td>
</tr>
<tr>
<td>Canadian Medical Net Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$63.3</td>
<td>$58.2</td>
<td>9%</td>
</tr>
<tr>
<td>International Medical Net Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$14.0</td>
<td>$13.5</td>
<td>4%</td>
</tr>
<tr>
<td>International Medical Net Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$21.5</td>
<td>$18.7</td>
<td>15%</td>
</tr>
<tr>
<td>Total</td>
<td>$35.5</td>
<td>$32.2</td>
<td>10%</td>
</tr>
<tr>
<td>Cannabis Net Revenue</td>
<td>$98.8</td>
<td>$90.4</td>
<td>9%</td>
</tr>
<tr>
<td>All Other Net Revenue</td>
<td>$53.7</td>
<td>$33.4</td>
<td>61%</td>
</tr>
<tr>
<td>Net Revenue</td>
<td>$152.5</td>
<td>$123.8</td>
<td>23%</td>
</tr>
</tbody>
</table>

### Q3 2021 NET REVENUE MIX

- Canada Rec B2B: 28%
- Canada Rec B2C: 13%
- Canadian Medical: 14%
- International Medical: 14%
- Storz & Bickel: 16%
- This Works: 7%
- All Other: 35%

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1. Figures may not add up to 100% due to rounding
# Revenue Performance by Format

<table>
<thead>
<tr>
<th></th>
<th>(CDN in millions)</th>
<th>Q3 2021</th>
<th>Q3 2020</th>
<th>vs. Q3 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Canadian Recreational Net Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dry Bud</td>
<td>$66.2</td>
<td>$69.3</td>
<td>(4%)</td>
<td></td>
</tr>
<tr>
<td>Oils and Softgels</td>
<td>$7.3</td>
<td>$4.7</td>
<td>55%</td>
<td></td>
</tr>
<tr>
<td>Cannabis 2.0 Products</td>
<td>$9.6</td>
<td>$-</td>
<td>NM</td>
<td></td>
</tr>
<tr>
<td>Other Revenue Adjustments</td>
<td>$(3.8)</td>
<td>$(5.3)</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>Excise Taxes</td>
<td>$(16.0)</td>
<td>$(10.5)</td>
<td>(52%)</td>
<td></td>
</tr>
<tr>
<td><strong>Global Medical Net Revenue</strong></td>
<td>$63.3</td>
<td>$58.2</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Dry Bud</td>
<td>$9.0</td>
<td>$9.2</td>
<td>(2%)</td>
<td></td>
</tr>
<tr>
<td>Oils and Softgels</td>
<td>$27.0</td>
<td>$24.3</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Cannabis 2.0 Products</td>
<td>$0.9</td>
<td>$-</td>
<td>NM</td>
<td></td>
</tr>
<tr>
<td>Excise Taxes</td>
<td>$(1.4)</td>
<td>$(1.3)</td>
<td>(8%)</td>
<td></td>
</tr>
<tr>
<td><strong>Cannabis Net Revenue</strong></td>
<td>$35.5</td>
<td>$32.2</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td><strong>All Other Net Revenue</strong></td>
<td>$98.8</td>
<td>$90.4</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td><strong>Net Revenue</strong></td>
<td>$152.5</td>
<td>$123.8</td>
<td>23%</td>
<td></td>
</tr>
</tbody>
</table>
GROSS MARGIN PERFORMANCE

Quarterly Gross Margin Trend

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Reported Gross Margins</th>
<th>Adjusted Gross Margins</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2020</td>
<td>31%</td>
<td>31%</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>42%</td>
<td>31%</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Q2 2021</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>Q3 2021</td>
<td>16%</td>
<td>26%</td>
</tr>
</tbody>
</table>

Drivers of Q3 2021 Gross Margin Performance

(-) Adjusted Gross Margins continue to be negatively impacted by under absorption of fixed costs

(+) Improvement relative to Q2 2021 partly reflects higher sales

- Adjusted Gross Margin Percentage is a Non-GAAP measure
- Q4 2020 Adjusted Gross Margins excludes restructuring and other charges recorded in cost of goods sold and inventory step-up costs
- Q3 2021 Adjusted Gross Margins excludes restructuring costs included in cost of goods sold of $15.6 million.
OPEX TREND

**Quarterly OpEx Trend (C$ in `000s)**

- Total OpEx
- Total OpEx Ex-SBC

Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021

**OpEx as a Percentage of Net Sales (Q3 2020 vs. Q3 2021)**

- Sales and Marketing
- R&D
- G&A
- Share-Based Comp
- D&A

- G&A expense decline of 23% was due primarily to a reduction in costs attributable to corporate restructuring actions taken earlier in the year
- R&D expenses decreased by 33% also driven by lower costs resulting from corporate restructuring actions taken earlier in the year

- Total SG&A expenses declined 15% vs. Q3 2020, driven by year-over-year reductions in Sales & Marketing, General & Administrative and Research & Development
- Share-based Compensation expenses decreased 68% over Q3 2020

*‘OpEx’ refers to Operating Expense
‘OpEx Ex-SBC’ refers to Operating Expense excluding Shared-Based Compensation
Total OpEx excludes acquisition costs and asset impairment and restructuring costs*
ADJUSTED EBITDA AND FREE CASH FLOW

Adjusted EBITDA Trend (C$ in `000s)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3 2020</th>
<th>Q4 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>-$120,000</td>
<td>-$100,000</td>
<td>-$80,000</td>
<td>-$60,000</td>
<td>-$40,000</td>
</tr>
</tbody>
</table>

Free Cash Flow Trend (C$ in `000s)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3 2020</th>
<th>Q4 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash from Ops</td>
<td>-$50,000</td>
<td>-$100,000</td>
<td>-$150,000</td>
<td>-$200,000</td>
<td>-$250,000</td>
</tr>
<tr>
<td>Capex</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Free Cash Flow has improved by 62% from Q3 2020 to Q3 2021

Adjusted EBITDA and Free Cash Flow are Non-GAAP measures
THANK YOU