CANOPY GROWTH CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021
(IN CANADIAN DOLLARS)

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Canopy Growth Corporation:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Canopy Growth Corporation and subsidiaries (the Company) as of March 31, 2021 and 2020, the related consolidated statements of operations and comprehensive loss, shareholders' equity, and cash flows for each of the years in the three-year period ended March 31, 2021, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the three-year period ended March 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of March 31, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated June 1, 2021 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Fair value measurement of the liability arising from the Acreage financial instrument

As discussed in Notes 26 and 31 to the consolidated financial statements, the Company has an obligation to acquire certain shares of Acreage Holdings, Inc., ("Acreage") in return for a specified number of the Company's common shares, and an option, exercisable at its discretion, to acquire certain other Acreage shares for cash or common shares of the Company as the Company may determine. The obligation and the option (collectively, the "Acreage financial instrument") become effective upon the occurrence (or waiver by the Company) of specified changes in United States ("US") federal laws relating to cannabis (the "Acreage Triggering Event"). The Acreage financial instrument is recorded at fair value through earnings in the consolidated financial statements at each reporting period. As of March 31, 2021, the Acreage financial instrument was recorded as a financial liability of $600,000 thousand, with fair value changes of $(399,849) thousand recognized in other income (expense), net in the year ended March 31, 2021.

We identified the assessment of the fair value measurement of the liability arising from the Acreage financial instrument as a critical audit matter. There was a high degree of subjective auditor judgment in the evaluation of the key assumptions that were not directly observable, including the probability of different scenarios when determining the fair value. The key assumptions included the probability of each scenario, the number of the Company's shares to be issued, the probability and timing of US legalization, the estimated premium on US legalization, the control premium, and the market access premium.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of the internal control over the Company's key assumptions noted above. We involved valuation professionals with specialized skills and knowledge who assisted in evaluating the Company's key assumptions noted above by assessing each scenario and the probability of each scenario being achieved for the resultant impact at the expected Acreage Triggering Event date. The evaluation was achieved by:

- performing sensitivity analyses on certain assumptions for each scenario
- evaluating the probability of each scenario and assessing its impact on the fair value of the Acreage financial instrument
- evaluating the probability of the occurrence of the Acreage Triggering Event by monitoring political developments and the potential for relevant legislation in the US
- evaluating assumptions about the market impact of US legalization of cannabis and assessing the extent to which the anticipated legalization of cannabis is reflected in the Acreage share price
- comparing certain assumptions to evidence obtained from internal and external sources.

Fair value measurement of the Tranche B Warrants

As discussed in Notes 22, 26 and 31 to the consolidated financial statements, the Company entered into certain agreements with Constellation Brands, Inc. in the prior year to amend previously issued warrants and replace them with Tranche A, Tranche B, and Tranche C Warrants. These warrants were initially recorded at their fair values and subsequent changes in the fair value of the Tranche B and Tranche C Warrants are recorded in earnings. As of March 31, 2021, the fair values of the Tranche B and Tranche C Warrants were $615,575 thousand, and $nil, respectively, with fair value changes of $(293,084) thousand and nil, respectively, recognized in other income (expense), net in the year ended March 31, 2021.

We identified the assessment of the fair value measurement of the Tranche B Warrants as a critical audit matter. Specifically, there was a high degree of subjectivity and judgment in evaluating the expected share price volatility inputs used in the Monte Carlo model for the Tranche B Warrants. Historical and implied volatility levels provided a range of possible expected volatility inputs and the fair value estimate for the Tranche B Warrants was sensitive to the expected share price volatility inputs.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of the internal control over the Company's process to measure the fair value of the Tranche B Warrants. This included the Company's assessment of the observable market information used in the determination of the expected share price volatility inputs. We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the expected share price volatility inputs by comparing them against a volatility range that was independently developed in consideration of historical and implied share price volatility information.

/s/ KPMG LLP

We have served as the Company's auditor since 2019.

Ottawa, Canada
June 1, 2021

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Canopy Growth Corporation:

Opinion on Internal Control Over Financial Reporting

We have audited Canopy Growth Corporation's (the Company) internal control over financial reporting as of March 31, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of March 31, 2021 and 2020, the related consolidated statements of operations and comprehensive loss, shareholders' equity, and cash flows for each of the years in the three-year period ended March 31, 2021, and the related notes (collectively, the consolidated financial statements), and our report dated June 1, 2021 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Annual Report on Form 10-K under the section entitled "Item 9A. Controls and Procedures". Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

We have served as the Company's auditor since 2019.

Ottawa, Canada
June 1, 2021

CANOPY GROWTH CORPORATION
CONSOLIDATED BALANCE SHEETS
(in thousands of Canadian dollars, except number of shares and per share data)

	March 31, 2021	March 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,154,653	$ 1,303,176
Short-term investments	1,144,563	673,323
Restricted short-term investments	11,332	21,539
Amounts receivable, net	92,435	90,155
Inventory	367,979	391,086
Prepaid expenses and other assets	67,232	85,094
Total current assets	2,838,194	2,564,373
Equity method investments	100	65,843
Other financial assets	708,167	249,253
Property, plant and equipment	1,074,537	1,524,803
Intangible assets	308,167	476,366
Goodwill	1,889,354	1,954,471
Other assets	4,961	22,636
Total assets	$ 6,823,480	$ 6,857,745
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 67,262	$ 123,393
Other accrued expenses and liabilities	100,813	64,994
Current portion of long-term debt	9,827	16,393
Other liabilities	106,428	215,809
Total current liabilities	284,330	420,589
Long-term debt	1,573,136	449,022
Deferred income tax liabilities	21,379	47,113
Liability arising from Acreage Arrangement	600,000	250,000
Warrant derivative liability	615,575	322,491
Other liabilities	107,240	190,660
Total liabilities	3,201,660	1,679,875
Commitments and contingencies (Note 34)		
Redeemable noncontrolling interest	135,300	69,750
Canopy Growth Corporation shareholders' equity:		
Common shares - $nil par value; Authorized - unlimited number of shares; Issued - 382,875,179 shares and 350,112,927 shares, respectively	7,168,557	6,373,544
Additional paid-in capital	2,415,650	2,615,155
Accumulated other comprehensive (loss) income	(34,240)	220,899
Deficit	(6,068,156)	(4,323,236)
Total Canopy Growth Corporation shareholders' equity	3,481,811	4,886,362
Noncontrolling interests	4,709	221,758
Total shareholders' equity	3,486,520	5,108,120
Total liabilities and shareholders' equity	$ 6,823,480	$ 6,857,745

The accompanying notes are an integral part of these consolidated financial statements.

CANOPY GROWTH CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands of Canadian dollars, except number of shares and per share data)

	Years ended March 31, 2021	2020	2019
Revenue	$ 607,198	$ 439,626	$ 253,431
Excise taxes	60,549	40,854	27,090
Net revenue	546,649	398,772	226,341
Cost of goods sold	479,689	430,456	198,096
Gross margin	66,960	(31,684)	28,245
Operating expenses			
Selling, general and administrative expenses	575,389	693,737	392,250
Share-based compensation	91,149	320,276	273,447
Expected credit losses on financial assets and related charges	109,480	-	-
Asset impairment and restructuring costs	534,398	623,266	-
Total operating expenses	1,310,416	1,637,279	665,697
Operating loss	(1,243,456)	(1,668,963)	(637,452)
Loss from equity method investments	(52,629)	(64,420)	(10,752)
Other income (expense), net	(387,876)	224,329	(59,709)
Loss before income taxes	(1,683,961)	(1,509,054)	(707,913)
Income tax recovery (expense)	13,141	121,614	(4,112)
Net loss	(1,670,820)	(1,387,440)	(712,025)
Net income (loss) attributable to noncontrolling interests and redeemable noncontrolling interest	74,100	(66,114)	24,256
Net loss attributable to Canopy Growth Corporation	$ (1,744,920)	$ (1,321,326)	$ (736,281)
Basic and diluted loss per share	$ (4.69)	$ (3.80)	$ (2.76)
Basic and diluted weighted average common shares outstanding	371,662,296	348,038,163	266,997,406
Comprehensive loss:			
Net loss	$ (1,670,820)	$ (1,387,440)	$ (712,025)
Other comprehensive (loss) income, net of income tax effect			
Fair value changes of own credit risk of financial liabilities	(100,170)	141,306	(47,130)
Foreign currency translation	(154,969)	85,498	40,617
Total other comprehensive (loss) income, net of income tax effect	(255,139)	226,804	(6,513)
Comprehensive loss	(1,925,959)	(1,160,636)	(718,538)
Comprehensive income (loss) attributable to noncontrolling interests and redeemable noncontrolling interest	74,100	(66,114)	24,220
Comprehensive loss attributable to Canopy Growth Corporation	$ (2,000,059)	$ (1,094,522)	$ (742,758)

The accompanying notes are an integral part of these consolidated financial statements.

CANOPY GROWTH CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands of Canadian dollars)

		Additional paid-in capital				Accumulated			
	Common shares	Share-based reserve	Warrants	Ownership changes	Redeemable noncontrolling interest	other comprehensive income (loss)	Deficit	Noncontrolling interests	Total
Balance at March 31, 2020	$ 6,373,544	$ 517,741	$ 2,638,951	$ (501,403)	$ (40,134)	$ 220,899	$ (4,323,236)	$ 221,758	$ 5,108,120
Other issuances of common shares and warrants	61,809	(33,953)	-	-	-	-	-	-	27,856
Exercise of warrants	315,699	-	(70,513)	-	-	-	-	-	245,186
Exercise of Omnibus Plan stock options	244,170	(87,273)	-	-	-	-	-	-	156,897
Share-based compensation	-	87,322	-	-	-	-	-	-	87,322
Issuance and vesting of restricted share units	3,051	(3,051)	-	-	-	-	-	-	-
Completion of plan of arrangement with RIV Capital	170,284	-	-	(10,976)	-	-	-	(313,243)	(153,935)
Changes in redeemable noncontrolling interest	-	-	-	-	(83,627)	-	-	18,077	(65,550)
Ownership changes relating to noncontrolling interests	-	-	-	39	2,527	-	-	4,017	6,583
Comprehensive (loss) income	-	-	-	-	-	(255,139)	(1,744,920)	74,100	(1,925,959)
Balance at March 31, 2021	$ 7,168,557	$ 480,786	$ 2,568,438	$ (512,340)	$ (121,234)	$ (34,240)	$ (6,068,156)	$ 4,709	$ 3,486,520

CANOPY GROWTH CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands of Canadian dollars)

		Additional paid-in capital				Accumulated			
	Common shares	Share-based reserve	Warrants	Ownership changes	Redeemable noncontrolling interest	other comprehensive income (loss)	Deficit	Noncontrolling interests	Total
Balance at March 31, 2019	$ 6,029,222	$ 505,172	$ 1,589,925	$ (500,963)	$ (2,110)	$ (5,905)	$ (835,118)	$ 285,485	$ 7,065,708
Other issuances of common shares and warrants	271,966	(272,234)	359	-	-	-	-	-	91
Exercise of warrants	932	-	(486)	-	-	-	-	-	446
Exercise of Omnibus Plan stock options	69,951	(28,538)	-	-	-	-	-	-	41,413
Share-based compensation	-	312,929	-	-	-	-	-	-	312,929
Issuance of replacement equity instruments	-	1,885	-	-	-	-	-	-	1,885
Issuance and vesting of restricted share units	1,473	(1,473)	-	-	-	-	-	-	-
Acreage warrant modification	-	-	1,049,153	-	-	-	(2,166,792)	-	(1,117,639)
Changes in redeemable noncontrolling interest	-	-	-	-	(38,024)	-	-	(6,489)	(44,513)
Ownership changes relating to noncontrolling interests	-	-	-	(440)	-	-	-	8,876	8,436
Comprehensive income (loss)	-	-	-	-	-	226,804	(1,321,326)	(66,114)	(1,160,636)
Balance at March 31, 2020	$ 6,373,544	$ 517,741	$ 2,638,951	$ (501,403)	$ (40,134)	$ 220,899	$ (4,323,236)	$ 221,758	$ 5,108,120

CANOPY GROWTH CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands of Canadian dollars)

		Additional paid-in capital				Accumulated			
	Common shares	Share-based reserve	Warrants	Ownership changes	Redeemable noncontrolling interest	Accumulated other comprehensive income (loss)	Deficit	Noncontrolling interests	Total
Balance at March 31, 2018	$ 1,079,442	$ 57,982	$ 70,455	$ (1,019)	$ (64,745)	$ 35,408	$ (132,904)	$ 85,732	$ 1,130,351
Cumulative effect from adoption of ASU 2016-1	-	-	-	-	-	(34,800)	34,800	-	-
Equity financings and private placements, net of costs	3,558,640	-	1,501,760	-	-	-	-	-	5,060,400
Other issuances of common shares and warrants	1,264,273	202,635	-	(427,843)	-	-	-	331	1,039,396
Exercise of warrants	31,691	-	(12,901)	-	-	-	-	-	18,790
Exercise of Omnibus Plan stock options	92,985	(44,826)	-	-	-	-	-	-	48,159
Share-based compensation	-	266,639	-	-	-	-	-	-	266,639
Issuance of replacement equity instruments	-	22,685	30,611	-	-	-	-	-	53,296
Issuance and vesting of restricted share units	2,191	57	-	-	-	-	-	-	2,248
Changes in redeemable noncontrolling interest	-	-	-	-	(14,965)	-	-	(2,885)	(17,850)
Ownership changes relating to noncontrolling interests	-	-	-	(72,101)	77,600	-	(733)	178,087	182,853
Comprehensive (loss) income	-	-	-	-	-	(6,513)	(736,281)	24,220	(718,574)
Balance at March 31, 2019	$ 6,029,222	$ 505,172	$ 1,589,925	$ (500,963)	$ (2,110)	$ (5,905)	$ (835,118)	$ 285,485	$ 7,065,708

The accompanying notes are an integral part of these consolidated financial statements.

CANOPY GROWTH CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of Canadian dollars)

	Years ended March 31,		
	2021	2020	2019
Cash flows from operating activities:			
Net loss	$ (1,670,820)	$ (1,387,440)	$ (712,025)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation of property, plant and equipment	70,914	73,716	30,062
Amortization of intangible assets	56,204	51,297	16,856
Share of loss on equity method investments	52,629	64,420	10,752
Share-based compensation	91,149	320,276	278,228
Asset impairment and restructuring costs	534,398	623,266	-
Expected credit losses on financial assets and related charges	109,480	-	-
Income tax (recovery) expense	(13,141)	(121,614)	4,112
Non-cash foreign currency	8,138	(2,012)	(18,776)
Interest paid	(25,649)	(25,472)	(14,521)
Change in operating assets and liabilities, net of effects from purchases of businesses:			
Amounts receivable	(11,994)	20,979	(67,688)
Prepaid expenses and other assets	77	(26,917)	(87,476)
Inventory	17,211	(177,091)	(144,917)
Accounts payable and accrued liabilities	(9,627)	(20,750)	69,540
Other, including non-cash fair value adjustments	325,302	(165,293)	100,822
Net cash used in operating activities	(465,729)	(772,635)	(535,031)
Cash flows from investing activities:			
Purchases of and deposits on property, plant and equipment	(164,502)	(704,944)	(644,456)
Purchases of intangible assets	(9,639)	(16,957)	(74,359)
Proceeds on sale of property, plant and equipment	45,921	-	-
Proceeds on sale of intangible assets	18,337	-	-
(Purchases) redemption of short-term investments	(459,834)	1,427,482	(2,029,812)
Cash outflow on completion of RIV Arrangement	(152,801)	-	-
Sale of (investments in) equity method investments	7,000	(5,135)	(36,896)
Investments in other financial assets	(44,721)	(129,590)	(91,337)
Investment in Acreage Arrangement	(49,849)	(395,190)	-
Loan advanced to Acreage Hempco	(66,995)	-	-
Recovery of amounts related to construction financing	10,000	-	-
Payment of acquisition related liabilities	(16,897)	(24,482)	-
Net cash outflow on acquisition of noncontrolling interests	(125)	-	(6,712)
Net cash outflow on acquisition of subsidiaries	-	(498,838)	(344,413)
Net cash used in investing activities	(884,105)	(347,654)	(3,227,985)
Cash flows from financing activities:			
Proceeds from issuance of common shares and warrants	-	-	5,072,500
Payment of share issue costs	(131)	-	(21,646)
Proceeds from issuance of shares by RIV Capital	1,380	1,172	154,976
Proceeds from exercise of stock options	156,897	41,413	48,159
Proceeds from exercise of warrants	245,186	446	18,790
Issuance of long-term debt	893,160	14,761	600,000
Payment of debt issue costs	(16,104)	-	(16,380)
Repayment of long-term debt	(15,619)	(114,953)	(4,680)
Net cash provided by (used in) financing activities	1,264,769	(57,161)	5,851,719
Effect of exchange rate changes on cash and cash equivalents	(63,458)	(204)	69,567
Net (decrease) increase in cash and cash equivalents	(148,523)	(1,177,654)	2,158,270
Cash and cash equivalents, beginning of period	1,303,176	2,480,830	322,560
Cash and cash equivalents, end of period	$ 1,154,653	$ 1,303,176	$ 2,480,830

The accompanying notes are an integral part of these consolidated financial statements.

CANOPY GROWTH CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of Canadian dollars)

	Years ended March 31,		
	2021	2020	2019
Supplemental disclosure of cash flow information			
Cash received during the period:			
Income taxes	$ 4,068	$ -	$ -
Cash paid during the period:			
Income taxes	$ 22,769	$ 5,460	$ 502
Noncash investing and financing activities			
Additions to property, plant and equipment	$ 9,962	$ 44,573	$ 96,875

The accompanying notes are an integral part of these consolidated financial statements.

1. DESCRIPTION OF BUSINESS

Canopy Growth Corporation is a publicly traded corporation, incorporated in Canada, with its head office located at 1 Hershey Drive, Smiths Falls, Ontario. References in these consolidated financial statements to "Canopy Growth" or "the Company" refer to Canopy Growth Corporation and its subsidiaries.

The principal activities of the Company are the production, distribution and sale of a diverse range of cannabis and cannabinoid-based products for both adult recreational and medical purposes under a portfolio of distinct brands in Canada pursuant to the *Cannabis Act*, which came into effect on October 17, 2018 and regulates both the medical and recreational cannabis markets in Canada. The Company has also expanded to jurisdictions outside of Canada where federally lawful, permissible and regulated for cannabis and/or hemp, and the Company, through its' subsidiaries, operates in the United States, Germany, and certain other global markets. Additionally, the Company produces, distributes and sells a range of other consumer products globally, including vaporizers; beauty, skincare, wellness and sleep products; and sports nutrition beverages. Through its partially owned subsidiary RIV Capital Inc. (formerly Canopy Rivers Inc.) ("RIV Capital"), the Company also provided growth capital and a strategic support platform pursuing investment opportunities in the global cannabis sector, where federally lawful. On February 23, 2021, the Company completed a plan of arrangement with RIV Capital and its wholly-owned subsidiary, RIV Capital Corporation (formerly Canopy Rivers Corporation) ("RCC"). As a result of this transaction, the Company no longer controls RIV Capital, and the Company derecognized of RIV Capital's consolidated assets and liabilities from its consolidated financial statements. Refer to Note 6 for a description of the plan of arrangement with RIV Capital.

In the year ended March 31, 2020, the Company commenced an organizational and strategic review of its business which resulted in a restructuring of the Company's global operations, including the closure of certain of the Company's production facilities, and other organizational changes. The Company's restructuring actions continued during the year ended March 31, 2021. Please refer to Note 5 for further details regarding these restructuring actions.

2. BASIS OF PRESENTATION

The consolidated financial statements have been presented in Canadian dollars and are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Canopy Growth has determined that the Canadian dollar is the most relevant and appropriate reporting currency as, despite continuing shifts in the relative size of our operations across multiple geographies, the majority of our operations are conducted in Canadian dollars and our financial results are prepared and reviewed internally by management in Canadian dollars. Our consolidated financial statements, and the financial information contained herein, are reported in thousands of Canadian dollars, except share and per share amounts or as otherwise stated.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and all entities in which the Company either has a controlling voting interest or is the primary beneficiary of a variable interest entity. All intercompany accounts and transactions have been eliminated on consolidation.

Variable interest entities

A variable interest entity ("VIE") is an entity that does not have sufficient equity at risk to finance its activities without additional subordinated financial support or is structured such that equity investors lack the ability to control the entity's activities or do not substantially participate in the gains and losses of the entity. Upon inception of a contractual agreement, and thereafter, if a reconsideration event occurs, the Company performs an assessment to determine whether the arrangement contains a variable interest in an entity and whether that entity is a VIE. The primary beneficiary of a VIE is the party that has both the power to direct the activities that most significantly impact the VIE's economic performance and the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE. Under Accounting Standards Codification ("ASC") 810 – *Consolidations*, where the Company concludes that it is the primary beneficiary of a VIE, the Company consolidates the accounts of that VIE.

Equity method investments

Investments accounted for using the equity method include those investments where the Company (i) can exercise significant influence over the other entity and (ii) holds common stock and/or in-substance common stock of the other entity. Under the equity method, investments are carried at cost, and subsequently adjusted for the Company's share of net income (loss), comprehensive income (loss) and distributions received from the investee. If the current fair value of an investment falls below its carrying amount, this may indicate that an impairment loss should be recorded. Any impairment losses recognized are not reversed in subsequent periods.

Use of estimates

The preparation of these consolidated financial statements and accompanying notes in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foreign currency translation

In preparing the financial statements of individual entities, transactions in currencies other than the entity's functional currency are recognized at exchange rates in effect on the date of the transactions. At each reporting date monetary assets and liabilities denominated in foreign currencies are re-translated at the exchange rates applicable at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Realized and unrealized exchange gains and losses are recognized through net income (loss).

For the purposes of presenting consolidated financial statements, the assets and liabilities of foreign operations are translated into Canadian dollars at the exchange rates applicable at the balance sheet date. Income and expenses, and cash flows of foreign operations are translated into Canadian dollars using average exchange rates. Exchange differences resulting from translating foreign operations are recognized in accumulated other comprehensive income (loss).

Cash equivalents and short-term investments

Cash equivalents consist of highly liquid investments with original maturities of three months or less. Investments with maturities greater than 90 days but less than one year at the date of purchase are included in short-term investments.

The Company's investments in debt securities, which consist primarily of U.S. government securities and U.S. commercial paper, have been classified and accounted for using the fair value option. Unrealized gains and losses on debt securities are recognized in net income (loss). All other short-term investments are recorded at fair value with gains or losses recognized in net income (loss).

Inventory

Inventory consists of raw materials, supplies and consumables used in the inventory process, merchandise for sale, finished goods and work-in-process such as pre-harvested cannabis plants, by-products to be extracted, oils, gel capsules and edible products. Inventory is valued at the lower of cost and net realizable value, with cost determined using the weighted average cost method. Costs are capitalized to inventory, until substantially ready for sale. Costs include direct and indirect labor, consumables, materials, packaging supplies, utilities, facilities costs, quality and testing costs, production related depreciation and other overhead costs. The Company records inventory reserves for obsolete and slow-moving inventory. Inventory reserves are based on inventory obsolescence trends, historical experience and application of the specific identification method. The Company classifies cannabis inventory as a current asset, although part of such inventory, because of the duration of the cultivation, drying, and conversion process, ordinarily would not be utilized within one year.

Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation. Major additions and improvements are capitalized, while maintenance and repairs are expensed as incurred. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items or components of property, plant and equipment. When assets are retired or disposed of, the cost and accumulated depreciation are removed from the respective accounts and any related gain or loss is recognized in net income (loss).

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets, which are as follows:

	Years
Buildings and greenhouses	20 - 50
Production and warehouse equipment	5 - 30
Leasehold improvements	3 - 20
Office and lab equipment	3 - 10
Computer equipment	3 - 10

Estimates of useful life and residual value, and the method of depreciation, are reviewed only when events or changes in circumstances indicate that the current estimates or depreciation method are no longer appropriate. Any changes are accounted for on a prospective basis as a change in estimate.

Intangible assets

Finite lived intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses. Amortization is provided on a straight-line basis over the following terms:

	Years
Licensed brands	2 - 5
Distribution channel	5 - 11
Intellectual property	5 - 15
Software and domain names	3 - 5

The estimated useful life and amortization method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis.

Goodwill and indefinite lived intangible assets

Goodwill is allocated to the reporting unit in which the business that created the goodwill resides. A reporting unit is an operating segment, or a business unit one level below that operating segment, for which discrete financial information is prepared and regularly reviewed by segment management. The Company reviews the goodwill and indefinite lived intangible assets annually for impairment in the fourth quarter, or sooner, if events or circumstances indicate that the carrying amount of an asset may not be recoverable. The Company may elect to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If factors indicate this is the case, then a quantitative test is performed and an impairment is recorded for any excess carrying value above the reporting unit's fair value, not to exceed the amount of goodwill.

Until the fourth quarter of the year ended March 31, 2021, the Company had two operating segments, which were also its reportable segments: (i) cannabis, hemp and other consumer products; and (ii) RIV Capital. The goodwill associated with all acquisitions was allocated to the one reporting unit within the cannabis, hemp and other consumer products operating and reportable segment, as this reporting unit held the acquired entities. The Company changed the structure of its internal management reporting in the fourth quarter of the year ended March 31, 2021 (refer to Note 35), and accordingly, identified two operating and reportable segments: (i) global cannabis; and (ii) other consumer products. The reorganization of the Company's reporting structure changed the composition of its reporting units and required that goodwill be reassigned to the reporting units using a relative fair value allocation approach. Assets and liabilities were also reassigned to the reporting units affected based on the assets that would be employed in, or the liabilities related to, the operations of each reporting unit, and the assets or liabilities that would be considered in determining the fair value of each reporting unit. After reorganization, the Company's reporting units with goodwill in the global cannabis segment include (i) cannabis operations, and (ii) C3; and in the other consumer products segment include (i) Storz & Bickel, (ii) This Works, and (iii) BioSteel. The Company performed a goodwill impairment test immediately before and after the change which did not indicate any impairment.

Indefinite lived intangible assets are comprised of certain acquired brand names and licenses to grow, which are carried at cost less accumulated impairment losses. The Company reviews the classification each reporting period to decide whether the assessment made about the useful life as indefinite or finite is still appropriate. Any change is accounted for on a prospective basis as a change in estimate.

Impairment of long-lived assets

The Company evaluates the recoverability of long-lived assets, including property, plant and equipment and finite lived intangible assets whenever events or changes in circumstances indicate a potential impairment exists. The Company groups assets at the lowest level for which cash flows are separately identifiable, referred to as an asset group. When indicators of potential impairment are present the Company prepares a projected undiscounted cash flow analysis for the respective asset or asset group. If the sum of the undiscounted cash flow is less than the carrying value of the asset or asset group, an impairment loss is recognized equal to the excess of the carrying value over the fair value, if any.

Restricted short-term investments

The Company considers short-term investments to be restricted when withdrawal or general use is legally restricted. The Company records restricted short-term investments as current or non-current in the consolidated balance sheets based on the classification of the underlying securities.

Redeemable noncontrolling interest

Redeemable noncontrolling interest is presented as mezzanine equity. The balance of the redeemable noncontrolling interest is reported at the greater of the initial carrying amount adjusted for the redeemable noncontrolling interest's share of earnings or losses and other comprehensive income or loss, or its estimated redemption value. The Company adjusts the carrying amount of the redeemable interest to the redemption amount each period, assuming the interest was redeemable at the balance sheet date with changes in fair value recorded in equity.

Revenue recognition

The Company's cannabis revenue is comprised of sales of (i) recreational cannabis products in Canada, either to government agencies or third-party retailers under a "business-to-business" wholesale model, or directly to consumers through the Company's network of retail stores and e-commerce platforms; and (ii) medical and other cannabis products in Canada and certain other countries. The Company's other revenue is comprised of sales of vaporizers, beauty, wellness and sleep products, sports nutrition beverages, merchandise, and revenue from other sources.

The Company's revenue-generating activities have a single performance obligation and revenue is recognized at the point in time when control of the product transfers and the Company's obligations have been fulfilled. This generally occurs when the product is shipped or delivered to the customer, depending upon the method of distribution and shipping terms set forth in the customer contract. In accordance with contracts with certain of the Company's Canadian provincial customers, the Company fulfills its obligations only when the customer transfers control of the product to the end consumer. Revenue is measured as the amount of consideration the Company expects to receive in exchange for the sale of the Company's product. Certain of the Company's customer contracts, most notably those with the Canadian provincial and territorial agencies, may provide the customer with a right of return. In certain circumstances the Company may also provide a retrospective price adjustment to a customer. These items give rise to variable consideration, which is recognized as a reduction of the transaction price based upon the expected amounts of the product returns and price adjustments at the time revenue for the corresponding product sale is recognized. The determination of the reduction of the transaction price for variable consideration requires that the Company make certain estimates and assumptions that affect the timing and amounts of revenue recognized. The Company estimates this variable consideration by taking into account factors such as historical information, current trends, forecasts, provincial and territorial inventory levels, availability of actual results and expectations of demand. The Company recognizes a liability for sales refunds within other current liabilities, and an asset for the value of inventory which is expected to be returned is recognized within prepaid expenses and other assets on the consolidated balance sheets.

Sales of products are for cash or otherwise agreed-upon credit terms. The Company's payment terms vary by location and customer; however, the time period between when revenue is recognized and when payment is due is not significant. The Company estimates and reserves for its bad debt exposure based on its experience with past due accounts and collectability, write-off history, the aging of accounts receivable and an analysis of customer data.

Cost of goods sold

The types of costs included in cost of goods sold are raw materials, packaging materials, manufacturing costs, plant facilities administrative support and overheads, and freight and warehouse costs, including distribution costs.

Advertising

Advertising costs are expensed as incurred. Advertising expenses totaled $72,377, $78,474 and $56,659 in the years ended March 31, 2021, 2020, and 2019, respectively.

Research and development

Research and development costs are expensed as incurred. Research and development expenses totaled $57,582, $61,812, and $15,238 in the years ended March 31, 2021, 2020, and 2019, respectively.

Asset impairment and restructuring costs

Asset impairment and restructuring costs consist of property, plant and equipment and intangible asset impairment charges, asset abandonment costs, contractual and other settlement costs, and employee-related and other restructuring costs recognized in connection with the restructuring of the Company's global operations that commenced in the year ended March 31, 2020 and continued during the year ended March 31, 2021. When a long-lived asset is abandoned its carrying amount is adjusted to its salvage value, if any. In determining the salvage value of our long-lived assets, management considers information from manufacturers, historical data, and industry standards. In certain cases, management may obtain third party appraisals to estimate salvage value.

Share-based compensation

The Company accounts for share-based compensation using the fair value method. With the exception of a limited number of share-based awards subject to market-based performance conditions that are valued using the Monte Carlo simulation model, the fair value of awards granted is estimated at the date of grant using the Black-Scholes model. The share-based compensation expense is based on the fair value of share-based awards at the grant date and the expense is recognized over the related service period following a graded vesting expense schedule. Forfeitures are estimated at the time of grant and revised in subsequent periods if there is a difference in actual forfeitures and the estimate. Effective April 1, 2018, the Company early-adopted ASU 2018-07 – *Compensation - Stock Compensation (Topic 718)*, which among other items, aligns the accounting for non-employee awards with that of employee awards.

For awards with service and/or non-market based performance conditions, the amount of compensation expense recognized is based on the number of awards expected to vest, reflecting estimated expected forfeitures, and is adjusted to reflect those awards that do ultimately vest. For awards with performance conditions, the Company recognizes the compensation expense if and when the Company concludes that it is probable that the performance condition will be achieved. The Company reassesses the probability of achieving the performance condition at each reporting date. Restricted stock units (“RSUs”) that are settled in cash or common stock at the election of the employee are remeasured to fair value at the end of each reporting period until settlement. This fair value is based on the closing price of the Company's common shares on the last business day before each period end.

Income taxes

Income taxes are comprised of current and deferred taxes. These taxes are accounted for using the liability method. Current tax is recognized in connection with income for tax purposes, unrealized tax benefits and the recovery of tax paid in a prior period and measured using the enacted tax rates and laws applicable to the taxation period during which the income for tax purposes arose. Deferred tax is recognized on the difference between the carrying amount of an asset or a liability, as reflected in the financial statements, and the corresponding tax base, used in the computation of income for tax purposes (“temporary difference”) and measured using the enacted tax rates and laws as at the balance sheet date that are expected to apply to the income that the Company expects to arise for tax purposes in the period during which the difference is expected to reverse. Management assesses the likelihood that a deferred tax asset will be realized and a valuation allowance is provided to the extent that it is more likely than not that all or a portion of a deferred tax asset will not be realized. The determination of both current and deferred taxes reflects the Company's interpretation of the relevant tax rules and judgement.

An unrealized tax benefit may arise in connection with a period that has not yet been reviewed by the relevant tax authority. A change in the recognition or measurement of an unrealized tax benefit is reflected in the period during which the change occurs.

Income taxes are recognized in the consolidated statement of operations, except when they relate to an item that is recognized in other comprehensive income (loss) or directly in equity, in which case, the taxes are also recognized in other comprehensive income (loss) or directly in equity respectively. Where income taxes arise from the initial accounting for a business combination, these are included in the accounting for the business combination.

Interest and penalties in respect of income taxes are not recognized in the consolidated statement of operations as a component of income taxes but as a component of interest expense.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing reported net income (loss) by the weighted average number of common shares outstanding for the reporting period. Diluted earnings (loss) per share is computed by dividing earnings (loss) by the sum of the weighted average number of common shares and the number of dilutive potential common share equivalents outstanding during the period. Diluted earnings (loss) per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common shares of the Company during the reporting periods. Potential dilutive common share equivalents consist of the incremental common shares issuable upon the exercise of warrants, vested share options, RSUs and the incremental shares issuable upon conversion of the convertible senior notes. As at March 31, 2021, 2020, and 2019, all instruments were anti-dilutive.

Fair value measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company calculates the estimated fair value of financial instruments using quoted market prices whenever available. When quoted market prices are not available, the Company uses standard pricing models.

For other financial assets measured at fair value that earn interest, the Company has elected to present interest income as part of the fair value change in other income (expense), net.

COVID-19 estimation uncertainty

In March 2020, the World Health Organization recognized the outbreak of COVID-19 as a global pandemic. Government measures to limit the spread of COVID-19, including the closure of non-essential businesses, did not materially impact the Company's operations during the years ended March 31, 2021 and March 31, 2020. The production and sale of cannabis have been recognized as essential services in Canada and across Europe. Due to the rapid developments and uncertainty surrounding COVID-19, it is not possible to predict the impact that COVID-19 will have on the Company's business, financial position and operating results in the future. Additionally, it is possible that estimates in the Company's consolidated financial statements will change in the near term as a result of COVID-19. The Company is closely monitoring the impact of the pandemic on all aspects of its business.

4. NEW ACCOUNTING POLICIES

Recently Adopted Accounting Pronouncements

Measurement of Credit Losses on Financial Instruments

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). ASU 2016-13 requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions and reasonable and supportable forecasts. Adoption of ASU 2016-13 will require financial institutions and other organizations to use forward-looking information to better formulate their credit loss estimates. Canopy Growth adopted ASU 2016-13 as of April 1, 2020. There was no impact of adopting ASU 2016-13 on the consolidated financial statements.

Fair Value Measurement

In August 2018, the FASB issued ASU 2018-13, *Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820)* ("ASU 2018-13"). ASU 2018-13 adds, modifies, and removes certain fair value measurement disclosure requirements. Canopy Growth adopted ASU 2018-13 as of April 1, 2020. There was no impact of adopting ASU 2018-13 on the consolidated financial statements.

Accounting Guidance not yet adopted

Income Taxes

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* ("ASU 2019-12"), which among other things, eliminates certain exceptions in the current rules regarding the approach for intraperiod tax allocations and the methodology for calculating income taxes in an interim period, and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. ASU 2019-12 is effective for annual and interim periods beginning after December 15, 2020. Early adoption is permitted. The Company is evaluating the impact on the consolidated financial statements and expects to implement the provisions of ASU 2019-12 effective April 1, 2021.

Investments-Equity Securities

In January 2020, the FASB issued ASU 2020-01, *Investments-Equity Securities (Topic 321), Investments-Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)* ("ASU 2020-01"). ASU 2020-01 clarifies the interaction of accounting for the transition into and out of the equity method. The new standard also clarifies the accounting for measuring certain purchased options and forward contracts to acquire investments. The guidance in ASU 2020-01 is effective for annual and interim periods beginning after December 15, 2020, with early adoption permitted. The Company is evaluating the impact on the consolidated financial statements and expects to implement the provisions of ASU 2020-01 effective April 1, 2021.

Convertible Instruments and Contracts in an Entity's Own Equity

In August 2020, the FASB issued ASU 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40):Accounting for Convertible Instruments and Contracts in an Entity's Own Equity* ("ASU 2020-06"), which simplifies the accounting for convertible instruments by reducing the number of accounting models for convertible debt instruments and convertible preferred stock. In addition, ASU 2020-06 enhances information transparency by making targeted improvements to the disclosures for convertible instruments and earnings-per-share guidance, and amends the guidance for the derivatives scope exception for contracts in an entity's own equity to reduce form-over-substance-based accounting conclusions. ASU 2020-06 is effective for interim and annual periods beginning after December 15, 2021, with early adoption permitted after December 15, 2020. The Company is evaluating the impact on the consolidated financial statements and expects to implement the provisions of ASU 2020-06 effective April 1, 2022.

5. ASSET IMPAIRMENT AND RESTRUCTURING COSTS

Year Ended March 31, 2021

Restructuring and other charges

In the three months ended June 30, 2020, the Company completed certain of the restructuring actions that had commenced in the year ended March 31, 2020 (refer to discussion below for restructuring actions in the year ended March 31, 2020), including completing the exit of the Company's operations in South Africa and Lesotho, and the Company recorded final adjustments related to changes in certain estimates recorded at March 31, 2020. In addition, the Company incurred additional costs related primarily to the rationalization of its marketing organization in April 2020. In the three months ended September 30, 2020, the Company recorded (i) adjustments related to changes in the estimated fair value of certain of its Canadian production facilities from March 31, 2020, and (ii) charges related to rationalizing certain research and development activities.

In December 2020, as the partial outcome of an ongoing end-to-end strategic review of its operations, the Company announced a series of Canadian operational changes designed to streamline its operations and further improve its gross margins. The Company has ceased operations at its sites in St. John's, Newfoundland and Labrador; Fredericton, New Brunswick; Edmonton, Alberta; Bowmanville, Ontario; as well as its outdoor cannabis grow operations in Saskatchewan. As a result of these restructuring actions, the Company eliminated approximately 220 full-time positions, and abandoned or impaired certain of its production facilities and intangible assets. Additionally, the Company (i) completed the sale of its production facilities in Aldergrove and Delta, British Columbia in December 2020 and January 2021, respectively, for combined proceeds of $40,650; and (ii) recorded additional charges related to the shifting of the Company's strategy in Latin America, which the Company commenced in the three months ended March 31, 2020.

In addition to recording adjustments associated with changes in certain estimates related to the closure of its Canadian production facilities, in the three months ended March 31, 2021, the Company recognized costs associated with the closure of the production facilities, and rationalizing certain licensing arrangements. This included (i) the impairment of the Company's equity method investment in More Life in the amount of $10,300; (ii) the difference between the termination payment made by the Company to More Life, and the remaining minimum royalty obligations owing to More Life that were derecognized (refer to Note 13); and (iii) charges associated with terminating a licensing agreement with a third party. See Note 20 for further information.

The Company recorded total inventory write-downs of $25,985 in the year ended March 31, 2021 related to the closure of certain of its Canadian and international production facilities.

As a result of these actions the Company recognized aggregate pre-tax charges of $564,049 in the year ended March 31, 2021.

Other impairments

In the year ended March 31, 2021, the Company recognized licensed brand intangible asset impairment charges totaling $6,634, which were identified during its annual impairment testing process and reflected in asset impairment and restructuring costs. These other impairment charges are in addition to the restructuring and impairment costs described above and associated with the Company's restructuring actions.

A summary of the pre-tax charges totaling $570,683 recognized in connection with the Company's restructuring actions and other impairments is as follows:

	Year ended March 31, 2021		
	Restructuring and other charges	Other impairments	Total
Costs recorded in cost of goods sold:			
Inventory write-downs	$ 25,985	$ -	$ 25,985
Costs recorded in operating expenses:			
Impairment and abandonment of property, plant and equipment	426,748	-	426,748
Impairment and abandonment of intangible assets	54,511	6,634	61,145
Contractual and other settlement obligations	22,352	-	22,352
Employee-related and other restructuring costs	24,153	-	24,153
Asset impairment and restructuring costs	527,764	6,634	534,398
Costs recorded in loss from equity method investments:			
Impairment of equity method investments	10,300	-	10,300
Total restructuring, asset impairments and related costs	$ 564,049	$ 6,634	$ 570,683

Costs recorded in cost of goods sold

In the year ended March 31, 2021, the Company recognized charges of $25,985 relating to inventory write-downs associated with its restructuring activities, as described above.

Costs recorded in operating expenses

The Company recognized asset impairment and restructuring costs of $527,764 in the year ended March 31, 2021 as a result of the restructuring actions described above.

As a result of the restructuring actions described above the Company impaired and abandoned certain production facilities, and operating license intangible assets. A loss totaling $481,259 was recognized in the year ended March 31, 2021 representing the difference between the net book value of the long-lived assets and their estimated salvage value or fair value. Of this loss, $426,748 related to property, plant and equipment and $54,511 related to facility operating license intangible assets. The losses relating to property, plant and equipment were primarily attributable to buildings and greenhouses, and production and warehouse equipment.

In the year ended March 31, 2021, the Company recognized contractual and other settlement obligations of $22,352 and employee-related and other restructuring costs of $24,153, which included costs associated with the remediation of damages caused by the fire at the Delta facility in November, the closure of the Canadian facilities as described above, and the sale of the British Columbia facilities.

Year Ended March 31, 2020

Restructuring and other charges

In the three months ended March 31, 2020, the Company commenced an organizational and strategic review of its business which resulted in the following restructuring actions designed to improve organizational focus, streamline operations and align the Company’s production capability with projected demand: (i) the closure of certain of the Company’s greenhouses as they are no longer essential to our Canadian cannabis cultivation footprint; (ii) exiting non-strategic geographies, including South Africa and Lesotho and the Company’s hemp farming operations in New York, and shifting the Company’s strategy in Colombia; and (iii) rationalizing certain marketing and research and development activities. The Company recorded a write-down of inventory in the amount of $55,890 related to these restructuring actions, as well as additional amounts totaling $76,199 deemed excess based on current and projected market demand.

As a result of these actions the Company recognized aggregate pre-tax charges of $742,929 in the year ended March 31, 2020 and approximately 600 full-time positions were eliminated.

Other impairments

In the year ended March 31, 2020, the Company recognized contractual and other settlement obligations and brand and license impairment charges totaling $60,020, which were identified during its annual impairment testing process. These charges are reflected in asset impairment and restructuring costs. Additionally, the Company recognized impairment charges relating to certain of its equity method investments totaling $40,326. These charges are recorded in other income (expense), net within the consolidated statements of operations. These other impairment charges are in addition to the restructuring and impairment costs described above and associated with the Company’s restructuring actions.

A summary of the pre-tax charges totaling $843,275 recognized in connection with the Company's restructuring actions and other impairments is as follows:

	Year ended March 31, 2020		
	Restructuring and other charges	Other impairments	Total
Costs recorded in cost of goods sold:			
Inventory write-downs	$ 132,089	$ -	$ 132,089
Costs recorded in operating expenses:			
Impairment and abandonment of property, plant and equipment	334,964	-	334,964
Impairment and abandonment of intangible assets	192,987	54,020	247,007
Contractual and other settlement obligations	18,712	6,000	24,712
Employee-related and other restructuring costs	16,583	-	16,583
Asset impairment and restructuring costs	563,246	60,020	623,266
Acceleration of share-based compensation expense related to acquisition milestones	32,694	-	32,694
Share-based compensation expense	32,694	-	32,694
Costs recorded in loss from equity method investments:			
Impairment of equity method investments	14,900	40,326	55,226
Total restructuring, asset impairments and related costs	$ 742,929	$ 100,346	$ 843,275

Costs recorded in cost of goods sold

In the year ended March 31, 2020, the Company recognized charges of $132,089 relating to restructuring charges and inventory write-downs, as described above.

Costs recorded in operating expenses

The Company recognized asset impairment and restructuring costs of $563,246 in the year ended March 31, 2020 as a result of the restructuring actions described above.

As a result of the restructuring actions described above the Company impaired and abandoned certain production facilities, operating licenses and other intangible assets. A loss totaling $527,951 was recognized in the year ended March 31, 2020 representing the difference between the net book value of the long-lived assets and their estimated salvage value or fair value. Of this loss, $334,964 related to property, plant and equipment and $192,987 related to brand, intellectual property and license intangible assets, were recognized in the year ended March 31, 2020. The losses relating to property, plant and equipment were primarily attributable to buildings and greenhouses, and production and warehouse equipment.

In the year ended March 31, 2020, the Company recognized contractual and other settlement obligations of $18,712 and, employee-related and other restructuring costs of $16,583.

In the year ended March 31, 2020, as a result of the restructuring of our operations in Colombia and Lesotho, the Company accelerated share-based compensation expense relating to the unvested milestones associated with the acquisitions of Spectrum Cannabis Colombia S.A.S. ("Spectrum Colombia"), Canindica Capital Ltd. ("Canindica"), and DaddyCann Lesotho PTY Limited ("DCL") in the year ended March 31, 2019. Accordingly, the Company recognized share-based compensation expense of $32,694 in the year ended March 31, 2020.

6. PLAN OF ARRANGEMENT WITH RIV CAPITAL

On December 21, 2020, the Canopy Growth entered into an arrangement agreement (the "RIV Arrangement Agreement") with its wholly-owned subsidiary The Tweed Tree Lot Inc. ("Tweed NB"), RIV Capital and its wholly-owned subsidiary RCC, pursuant to which Canopy Growth acquired certain assets from RCC, as set out below, in exchange for cash, Canopy Growth common shares and the surrender of all shares in the capital of RIV Capital held by Canopy Growth in accordance with a plan of arrangement under the *Business Corporations Act* (Ontario) (the "RIV Arrangement"). The RIV Arrangement was completed on February 23, 2021.

Pursuant to the RIV Arrangement, Canopy Growth increased its conditional ownership interest in TerrAscend Corp. ("TerrAscend") through the acquisition of (i) 19,445,285 exchangeable shares in the capital of TerrAscend (the "TerrAscend Exchangeable Shares") held by RCC; (ii) 2,225,714 common share purchase warrants in the capital of TerrAscend with an exercise price of $5.95 per share held by RCC; (iii) 333,723 common share purchase warrants in the capital of TerrAscend with an exercise price of $6.49 per share held by RCC; and (iv) a loan receivable owing by TerrAscend Canada Inc. ("TerrAscend Canada") to RCC. The securities in the capital of TerrAscend held by Canopy Growth are not currently convertible or exercisable and will not be convertible or exercisable until federal laws in the United States with respect to marijuana are amended. Pursuant to the RIV Arrangement, Canopy Growth also acquired (i) all of the Class A preferred shares in the capital of Les Serres Vert Cannabis Inc. ("Vert Mirabel") held by RCC; and (vi) 143 common shares in the capital of Vert Mirabel, thereby increasing Canopy Growth's ownership of the issued and outstanding common shares in the capital of Vert Mirabel to approximately 55%. In addition, all of the obligations of Tweed NB owing to RCC pursuant to a royalty agreement between the parties were terminated.

In exchange for the foregoing, Canopy Growth (i) surrendered 36,468,318 Class B multiple voting shares ("MVS") and 15,223,938 Class A subordinate voting shares ("SVS") in the capital of RIV Capital; (ii) made a cash payment to RCC of $115,000; and (iii) issued 3,647,902 Canopy Growth common shares to RCC. As a result, following completion of the RIV Arrangement, Canopy Growth no longer has any equity, debt or other interest in RIV Capital, and no longer has any representation on the RIV Capital board of directors.

Following completion of the RIV Arrangement, Canopy Growth now owns 38,890,570 TerrAscend Exchangeable Shares, an aggregate of 22,474,130 common share purchase warrants in the capital of TerrAscend (the "TerrAscend warrants") and is deemed to own an aggregate of 1,072,450 common shares of TerrAscend that are subject to an option agreement entered into in January 2021 (the "TerrAscend Option"). Canopy Growth beneficially owns, and exercise control or direction over approximately 20% of the issued and outstanding TerrAscend common shares on a fully-diluted basis.

Following this transaction, Canopy Growth no longer controls RIV Capital, and Canopy Growth derecognized the consolidated assets and liabilities of RIV Capital from its consolidated financial statements at their carrying amounts. The derecognized assets and liabilities on February 23, 2021, were as follows:

Acquired assets		
TerrAscend Exchangeable Shares	$	291,500
TerrAscend warrants		32,000
Preferred shares in Vert Mirabel		22,600
Settlement of Tweed NB obligations to RCC		15,000
TerrAscend loan		10,000
Common shares in Vert Mirabel		9,075
Total acquired assets	$	380,175
Consideration paid in shares		(170,284)
Consideration paid in cash		(115,000)
	$	94,891
Derecognition of RIV Capital net assets		
Cash and cash equivalents	$	37,801
Amounts receivable, net		4,327
Prepaid expenses and other assets		995
Equity method investments		5,114
Other financial assets		417,256
Property, plant and equipment		729
Intangible assets		86
Accounts payable		(22,038)
Other accrued expenses and liabilities		(1,703)
Other current liabilities		(32,653)
Other long-term liabilities		(303)
Noncontrolling interests and other		(315,144)
	$	94,467
Gain on completion of RIV Arrangement	$	424

The gain calculated on the derecognition of RIV Capital's assets and liabilities is the difference between the carrying amounts of the derecognized assets and liabilities of RIV Capital and the fair value of the consideration transferred, being the cash payment made to RCC in the amount of $115,000, the fair value of the Canopy Growth common shares issued to RCC, and the assets acquired.

7. CASH AND CASH EQUIVALENTS

The components of cash and cash equivalents are as follows:

	March 31, 2021	March 31, 2020
Cash	$ 436,588	$ 679,581
Cash equivalents	718,065	623,595
	$ 1,154,653	$ 1,303,176

8. SHORT-TERM INVESTMENTS

The components of short-term investments are as follows:

	March 31, 2021	March 31, 2020
Term deposits	$ 463,824	$ 374,000
Government securities	136,620	226,087
Commercial paper and other	544,119	73,236
	$ 1,144,563	$ 673,323

The amortized cost of short-term investments at March 31, 2021 is $1,145,364 (March 31, 2020 – $673,022).

9. AMOUNTS RECEIVABLE, NET

The components of amounts receivable, net are as follows:

	March 31, 2021	March 31, 2020
Accounts receivable, net	$ 67,106	$ 51,166
Interest receivable	5,140	10,303
Indirect taxes receivable	8,281	22,982
Other receivables	11,908	5,704
	$ 92,435	$ 90,155

Included in the accounts receivable, net balance at March 31, 2021 is an allowance for doubtful accounts of $1,411 (March 31, 2020 – $655).

10. INVENTORY

The components of inventory are as follows:

	March 31, 2021	March 31, 2020
Raw materials, packaging supplies and consumables	$ 55,554	$ 75,507
Work in progress	223,652	255,934
Finished goods	88,773	59,645
	$ 367,979	$ 391,086

In the year ended March 31, 2021, the Company recorded write-downs related to inventory in cost of goods sold of $79,859 (year ended March 31, 2020 – $169,338), including charges of $25,985 (year ended March 31, 2020 – $132,089) associated with the strategic review, as described in Note 5.

11. PREPAID EXPENSES AND OTHER ASSETS

The components of prepaid and other assets are as follows:

	March 31, 2021	March 31, 2020
Prepaid expenses	$ 28,349	$ 41,423
Deposits	18,316	7,773
Prepaid inventory	1,496	21,217
Other assets	19,071	14,681
	$ 67,232	$ 85,094

12. PHARMHOUSE

PharmHouse Inc. (“PharmHouse”), a joint venture formed on May 7, 2018, between RIV Capital and 2615975 Ontario Limited (the “PharmHouse JV Partner”), is a company licensed to cultivate cannabis under the Cannabis Act. Upon completion of the RIV Arrangement on February 23, 2021, the Company no longer controlled RIV Capital and RIV Capital’s consolidated assets and liabilities were derecognized from the Company’s consolidated financial statements. The assets and liabilities that were derecognized include those described below in relation to RIV Capital’s investments in, and obligations with respect to, PharmHouse. Refer to Note 6 for further details on the RIV Arrangement.

CCAA Proceedings

During the year ended March 31, 2021, PharmHouse determined that the previously anticipated timeline to generate cash flows from its offtake agreements with the Company and TerrAscend Canada would not be met, and the ultimate timing and receipt of cash inflows pursuant to these agreements became uncertain. As a result of this, as well as broader sector-wide challenges impacting the Canadian cannabis industry, PharmHouse did not have sufficient liquidity and capital resources to meet its business objectives and became unable to meet its financial obligations as they became due.

Accordingly, on September 15, 2020, PharmHouse obtained an order (the “Initial Order”) from the Ontario Superior Court of Justice (the “Court”) granting PharmHouse creditor protection under the Companies’ Creditors Arrangement Act (“CCAA”) (the “CCAA Proceedings”). The Court appointed an independent professional services firm to act as the Monitor of PharmHouse in the CCAA Proceedings while PharmHouse explored a restructuring of its business and operations (the “Restructuring”).

On October 29, 2020, PharmHouse received approval from the Court to commence its Sale and Investor Solicitation Process (“SISP”). The SISP process concluded in March 2021, subsequent to the completion of the RIV Arrangement, when PharmHouse entered into a binding asset purchase agreement to sell various operating assets including its facility and certain equipment at the facility. The asset purchase agreement was approved by the Court in March 2021.

PharmHouse Recoverability Assessment

As a result of the CCAA Proceedings and the Restructuring, RIV Capital determined that there were indicators of impairment present for its investments in various PharmHouse-related financial assets.

RIV Capital performed impairment testing for its various PharmHouse-related financial assets by estimating the fair value of PharmHouse en bloc. Due to the lack of profitable operating history for PharmHouse as a cannabis entity, RIV Capital estimated the fair value of PharmHouse en bloc using an asset-based approach to value PharmHouse’s assets under an orderly liquidation scenario where cannabis operations are not continued at PharmHouse’s facility and the greenhouse is sold for purposes other than cannabis cultivation. This amount was then compared to the carrying values of the various PharmHouse-related financial instruments held by RIV Capital, in sequence based on the priority of claims on PharmHouse’s assets (the “PharmHouse Recoverability Assessment”). The significant components of this fair value analysis included PharmHouse’s greenhouse facility and retrofits, separable machinery and equipment, saleable inventory, and cash. Significant unobservable inputs used by RIV Capital to determine the fair value of PharmHouse’s assets include the selling price per square foot for PharmHouse’s greenhouse facility; the recoverability percentage on the liquidation of PharmHouse’s property, plant and equipment; the selling price per gram of PharmHouse’s existing cannabis inventory; and adjustments for the risk of fair value changes and liquidity. Based on the foregoing, the Company estimated the recoverable value of PharmHouse’s assets in an orderly liquidation scenario to be approximately $57,500.

The impact of the PharmHouse Recoverability Assessment on RIV Capital’s various PharmHouse-related financial instruments is described below.

PharmHouse Financial Guarantee

Prior to February 23, 2021, PharmHouse had entered into a syndicated credit agreement (as amended, the “PharmHouse Credit Agreement”) with a number of Canadian banks (the “PharmHouse Lenders”) to provide PharmHouse with a committed, non-revolving credit facility (the “PharmHouse Credit Facility”) with a maximum principal amount of $90,000, which was fully drawn. The obligations of PharmHouse under the PharmHouse Credit Facility are secured by guarantees of RIV Capital and RCC, and a pledge by RCC of all of the shares of PharmHouse held by it (the “PharmHouse Financial Guarantee”). Accordingly, if PharmHouse is not able to generate sufficient cash flows to service its obligations pursuant to the PharmHouse Credit Facility, RIV Capital and RCC may be required to compensate the PharmHouse Lenders for their loss incurred on the PharmHouse Credit Facility. The PharmHouse Credit Agreement also contains other covenants applicable to RIV Capital and RCC.

Based on the PharmHouse Recoverability Assessment described above, the Company determined that the fair value of PharmHouse’s assets under an orderly liquidation scenario where the facility is not used for cannabis operations may be less than the principal amount owed by PharmHouse pursuant to the PharmHouse Credit Facility. Accordingly, the Company estimated that, prior to February 23, 2021, it had a financial liability related to the PharmHouse Financial Guarantee, reflecting the estimated shortfall between the recoverable amount of PharmHouse en bloc and the Company’s exposure to the PharmHouse Credit Facility.

As at February 23, 2021, the Company estimated the current expected credit loss related to its contingent obligation under the PharmHouse Financial Guarantee to be $32,500, and recognized a financial liability for this amount in the consolidated balance sheet (March 31, 2020 – $nil). Upon completion of the RIV Arrangement on February 23, 2021, this liability was derecognized from the Company's consolidated balance sheet. During the year ended March 31, 2021, the Company recognized an associated current expected credit loss of $32,500 in net income (loss) (years ended March 31, 2020 and 2019 – $nil).

Other financial assets, including loans receivable

Prior to February 23, 2021, RCC had advanced to PharmHouse (i) $40,000 of secured debt financing pursuant to a shareholder loan agreement (March 31, 2020 – $40,000); (ii) $2,450 pursuant to a secured demand promissory note (March 31, 2020 – $2,450); and (iii) $1,206 between August 4, 2020, and September 8, 2020 pursuant to an unsecured promissory note. the Company recognized these instruments as financial assets, initially recorded them at fair value and subsequently measured them at amortized cost. Additionally, pursuant to the Initial Order, RCC entered into an agreement to provide a super-priority, debtor-in-possession interim, non-revolving credit facility to PharmHouse (the "DIP Financing"), with a maximum principal amount available to be drawn by PharmHouse of $9,700, and a maturity date of February 28, 2021. As at February 23, 2021, RCC had advanced $9,300 pursuant to the DIP Financing.

As a result of the PharmHouse Recoverability Assessment described above, the Company recognized a current expected credit loss of $32,500 in the year ended March 31, 2021, related to its contingent obligation under the PharmHouse Financial Guarantee that existed prior to the completion of the RIV Arrangement on February 23, 2021 and the resulting derecognition of RIV Capital's consolidated assets and liabilities. The Company also concluded that the following amounts, as described above, may not be recoverable: (i) $9,300 advanced pursuant to DIP Financing; (ii) $40,000 advanced under the shareholder loan agreement; (iii) $2,450 advanced under the secured demand promissory note; (iv) $1,206 advanced under the unsecured demand promissory note; and (v) $8,989 in interest receivable in relation to these financial instruments. Additionally, it was determined that certain advances in the amount of $15,000 provided to PharmHouse by the Company may not be recoverable, and costs of $35 were incurred associated with the Restructuring in the year ended March 31, 2021. Accordingly, the Company recorded expected credit losses on financial assets and related charges of $109,480 for the year ended March 31, 2021 (years ended March 31, 2020 and 2019 – $nil).

PharmHouse equity method investment

As at February 23, 2021, RCC owned 10,998,660 common shares of PharmHouse (March 31, 2020 – 10,998,660 common shares), representing a 49% equity interest on a non-diluted basis. RCC had not yet received any distributions on account of its common share investment in PharmHouse.

As a result of the PharmHouse Recoverability Assessment described above, the Company determined that there was an other-than-temporary-impairment and recognized an impairment charge for the full amount of its equity method investment of $32,369 (see Note 13) in the year ended March 31, 2021.

13. EQUITY METHOD INVESTMENTS

The following tables present changes in the Company's investments in associates that are accounted for using the equity method in the years ended March 31, 2021 and 2020:

Entity	Instrument	Ownership percentage	Balance at March 31, 2020	Share of net (loss) income	Impairment losses	Derecognition of investment	Derecognition of RIV Capital[1]	Balance at March 31, 2021
PharmHouse[2]	Shares	49%	$ 37,025	$ (4,656)	$ (32,369)	$ -	$ -	$ -
More Life	Shares	40%	10,300	-	(10,300)	-	-	-
CanapaR	Shares	49%	8,500	(500)	-	(8,000)		-
Other	Shares	18%-40%	10,018	(3,326)	(1,478)	-	(5,114)	100
			65,843	(8,482)	(44,147)	(8,000)	(5,114)	100

[1]Refer to Note 6 for information regarding the completion of the plan of arrangement with RIV Capital.
[2]Refer to Note 12 for information regarding PharmHouse.

Entity	Instrument	Ownership percentage	Balance at March 31, 2019	Additions	Share of net loss	Impairment losses	Derecognition of investment	Balance at March 31, 2020
PharmHouse	Shares	49%	$ 39,278	$ -	$ (2,253)	$ -	$ -	$ 37,025
Agripharm	Shares	40%	36,127	-	(1,963)	(29,164)	-	5,000
More Life	Shares	40%	-	25,200	-	(14,900)	-	10,300
CanapaR	Shares	49%	18,062	-	(1,386)	(8,176)	-	8,500
BCT	Shares	47%	11,653	-	(385)	-	(11,268)	-
Other	Shares	18%-27%	7,265	5,135	(3,207)	(2,986)	(1,189)	5,018
			$ 112,385	$ 30,335	$ (9,194)	$ (55,226)	$ (12,457)	$ 65,843

Where the Company does not have the same reporting date as its investees, the Company will account for its investment one quarter in arrears. Accordingly, certain of the figures in the above tables, including the Company's share of the investee's net income (loss), are based on the investees' results for the years ended December 31, 2020 and December 31, 2019 (with respect to March 31, 2021 and March 31, 2020 balances) with adjustments for any signficant transactions.

Agripharm

In the year ended March 31, 2021, the Company recognized an impairment on its equity method investment in the amount of $1,478 (year ended March 31, 2020 – $29,164).

CHI and BCT

As described in Note 30, the Company acquired a controlling interest in Canopy Health Innovations Inc. ("CHI") on August 3, 2018, resulting in the consolidation of CHI and its equity method investment, Beckley Canopy Therapeutics Limited ("BCT"). BCT is a cannabis research and development organization in the United Kingdom which had been formed through a collaboration agreement between CHI and Beckley Research and Innovations Limited and which gave the parties joint control over the arrangement and a 50% equity interest. As at the date of the CHI acquisition, in accordance with ASC 805 - *Business Combinations* ("ASC 805"), the Company calculated the fair value of the equity investment in BCT to be $8,563.

On September 28, 2018, BCT completed a private placement financing where the Company, indirectly through CHI, acquired additional common shares for $3,986. The Company's participating share was diluted from 50% to 42.2%. The previously mentioned collaboration agreement remains in effect and management has concluded that CHI has maintained joint control over BCT.

On October 11, 2019, the Company acquired all of its unowned interests in BCT and Spectrum Biomedical UK. See Note 30(b)(iv).

CanapaR

On July 24, 2018, the Company acquired a 35% ownership interest in CanapaR Corp. ("CanapaR") for cash consideration of $750. This ownership interest and other rights give the Company significant influence over the investee and the investment is being accounted for using the equity method. As part of the investment, the Company also received a call option to purchase 100% of CanapaR SrL, a Sicily-based company formed for the purposes of organic hemp cultivation and extraction in Italy. The call option is accounted for at fair value with changes recorded in other income (expense), net.

In December 2018 and February 2019, the Company invested a further $17,400 in CanapaR. These follow-on investments increased the Company's ownership interest to 49.2%.

In the year ended March 31, 2020, the Company recognized an impairment loss of $8,176 related to its investment in CanapaR. The fair value was determined using a cost approach by estimating the recoverable amounts of its assets and deducting the value of its liabilities.

On December 30, 2020, CRC sold its shares in CanapaR, in exchange for $7,000 cash and $1,000 in contingent consideration, which was recorded at its estimated fair value as an other financial asset.

More Life

On November 7, 2019 the Company entered into agreements with certain entities that are controlled by Aubrey "Drake" Graham to launch the More Life Growth Company ("More Life"). Under the agreements Canopy Growth sold 100% of the shares of 1955625 Ontario Inc., a wholly owned subsidiary of Canopy Growth that holds the Health Canada license for a facility located in Scarborough, Ontario to More Life ("More Life Facility") in exchange for a 40% interest in More Life. Certain entities that are controlled by Drake hold a 60% ownership interest in More Life.

Following this transaction, the Company no longer controlled 1955625 Ontario Inc. and the Company derecognized the assets and liabilities of 1955625 Ontario Inc. from its consolidated financial statements at their carrying amounts. Management has concluded that the subsidiary does not meet the definition of an operation and no goodwill was allocated. The derecognized assets and liabilities on November 7, 2019, were as follows:

Current assets	$	100
Intangible assets		2,810
Net assets disposed	$	2,910
Fair value of retained interest		25,200
Gain on disposal of consolidated entity	$	22,290

The gain calculated on the derecognition of 1955625 Ontario Inc.'s assets and liabilities was the difference between the carrying amounts of the derecognized assets and liabilities of 1955625 Ontario Inc. and the fair value of the consideration received, being the fair value of the Company's interest in More Life. This gain was recognized in other income (expense), net, in the year ended March 31, 2020. The fair value of this interest on the transaction date was estimated to be $25,200 which was determined using a discounted cash flow approach. The most significant inputs to the fair value measurement are the discount rate and expectations about future royalties.

As consideration for the 60% interest in More Life, certain entities that are controlled by Drake granted More Life the right to exclusively exploit certain intellectual property and brands in association with the growth, manufacture, production, marketing and sale of cannabis and cannabis-related products, accessories, merchandise and paraphernalia in Canada and internationally. More Life sublicensed such rights in Canada to Canopy Growth in exchange for royalty payments. On November 7, 2019, Canopy Growth recorded an intangible asset equal to the present value of the agreed minimum royalty payments. As part of the Company's restructuring of its global operations in the year ended March 31, 2020, the Company recognized an impairment charge related to the remaining intangible assets in the amount of $32,717. The Company and More Life agreed to terminate the sublicense agreement between the two parties as of March 1, 2021, and as a result the Company derecognized the remaining minimum royalty obligations owing to More Life; refer to Note 20. The difference between the termination payment made by the Company to More Life and the remaining minimum royalty obligations was recorded in asset impairment and restructuring costs; refer to Note 5.

Through its ownership and other rights, the Company was determined to have significant influence over More Life and accounts for its interest in More Life using the equity method of accounting. The investment was initially recognized at its fair value of $25,200 and adjusted thereafter to recognize the Company's share of net income (loss) and other comprehensive income (loss). The fair value of the Company's interest in More Life was estimated to be $10,300 at March 31, 2020 using the same valuation techniques and inputs as described above. As at March 31, 2021, as a result of the termination of the sublicense agreement between the Company and More Life, the Company determined that the fair value of its' interest in More Life was $nil, and accordingly, the Company recognized an impairment on its equity method investment in the amount of $10,300 in the year ended March 31, 2021 (year ended March 31, 2020 – $14,900) as part of the restructuring of its global operations. See Note 5 for further information.

Since Canopy Growth controls the facility and the inventory grown at that facility, the property, plant and equipment at the facility and the related inventory have continued being recorded as assets of Canopy Growth since November 7, 2019.

The following tables present current and non-current assets, current and non-current liabilities as well as revenues and net loss of the Company's equity method investments as at and for the years ended December 31, 2020 and 2019, respectively:

Entity	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Revenue**	**Net loss**
Other	$ 4,895	$ 25,051	$ 29,830	$ 1,605	$ 3,705	$ (10,033)

Entity	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Revenue**	**Net loss**
PharmHouse	$ 5,584	$ 163,888	$ 65,765	$ 87,659	$ 219	$ (4,665)
Agripharm	9,565	68,608	25,776	-	5,093	(8,668)
CanapaR	15,232	10,277	1,722	-	425	(2,624)
Other	10,980	22,338	3,187	10,600	7,022	(10,322)
	$ 41,361	$ 265,111	$ 96,450	$ 98,259	$ 12,759	$ (26,279)

14. OTHER FINANCIAL ASSETS

The following tables outline changes in other financial assets. Additional details on how the fair value of significant investments are calculated are included in Note 26.

Entity	Instrument	Balance at March 31, 2020	Additions	Fair value changes	Foreign currency translation adjustments	Allowance for expected credit losses	Exercise of options / disposal of shares / repayments	Derecognition of RIV Capital[1]	Balance at March 31, 2021
TerrAscend Exchangeable Shares	Exchangeable shares	$ 47,000	$ -	$ 338,000	$ -	$ -	$ -	$ -	$ 385,000
TerrAscend Canada - October 2019	Term loan / debenture	9,520	8,579	(7,859)	-	-	-	-	10,240
TerrAscend Canada - March 2020	Term loan / debenture	44,300	-	16,942	-	-	(4,912)	-	56,330
Arise Bioscience	Term loan / debenture	-	11,758	1,489	(170)	-	-	-	13,077
TerrAscend - October 2019	Warrants	804	4,315	12,131	-	-	-	-	17,250
TerrAscend - March 2020	Warrants	24,200	-	128,710	-	-	-	-	152,910
TerrAscend - December 2020	Warrants	-	13,720	(480)	-	-	-	-	13,240
TerrAscend	Option	-	13,445	(2,845)	-	-	-	-	10,600
Acreage Hempco[2]	Debenture	-	66,995	(37,026)	(2,521)	-	-	-	27,448
SLANG	Warrants	3,500	-	5,900	-	-	-	-	9,400
PharmHouse[3]	Loan receivable	40,000	-	-	-	(40,000)	-	-	-
ZeaKal	Shares	14,186	-	(1,486)	-	-	-	(12,700)	-
Agripharm	Royalty interest	12,600	-	(7,200)	-	-	-	(5,400)	-
Greenhouse	Convertible debenture	10,517	-	(4,117)	-	-	(1,300)	(5,100)	-
Other - at fair value through net income (loss)	Various	28,478	11,251	(7,052)	-	-	(4,234)	(22,956)	5,487
Other - classified as held for investment	Loan receivable	14,148	11,106	-	-	(12,956)	(5,113)	-	7,185
		$ 249,253	$ 141,169	$ 435,107	$ (2,691)	$ (52,956)	$ (15,559)	$ (46,156)	$ 708,167

[1]Refer to Note 6 for information regarding the completion of the plan of arrangement with RIV Capital.
[2]Refer to Note 31 for information regarding Acreage Hempco.
[3]Refer to Note 12 for information regarding PharmHouse.

Entity	Instrument	Balance at March 31, 2019	Additions	Fair value changes	Exercise of options / disposal of shares	Balance at March 31, 2020
TerrAscend	Exchangeable shares	$ 160,000	$ -	$ (113,000)	$ -	$ 47,000
TerrAscend	Warrants	-	28,016	(3,012)	-	25,004
TerrAscend Canada	Term loan / debenture	-	65,653	(11,833)	-	53,820
PharmHouse	Loan receivable	40,000	-	-	-	40,000
Agripharm	Royalty interest	10,254	8,000	(5,654)	-	12,600
ZeaKal	Shares	-	13,487	699	-	14,186
Greenhouse	Convertible debenture	5,944	3,000	1,573	-	10,517
SLANG	Warrants	44,000	-	(40,500)	-	3,500
Other - classified as fair value through net income (loss)	Various	91,816	6,909	(69,255)	(10,475)	18,995
Other - elected as fair value through net income (loss)	Various	9,564	3,127	(2,983)	(225)	9,483
Other - classified as held for investment	Loan receivable	1,849	12,400	-	(101)	14,148
		$ 363,427	$ 140,592	$ (243,965)	$ (10,801)	$ 249,253

TerrAscend Exchangeable Shares

TerrAscend is a publicly traded licensed producer. On December 8, 2017, the Company subscribed for TerrAscend units which included one common share and one warrant. The Company allocated the purchase price to the shares and warrants based on their relative fair values, in the amount of $13,460 and $7,540 respectively. On November 27, 2017, the Company acquired additional TerrAscend shares and following these transactions, the Company owned 24% of the issued and outstanding shares of TerrAscend and the Company concluded it had significant influence over TerrAscend and accounted for its investment using the equity method.

On November 30, 2018, TerrAscend completed the restructuring of its share capital by way of a plan of arrangement ("Arrangement"), pursuant to which the Company exercised its warrants for no cash consideration. After giving effect to the exercise of the warrants the Company held common shares of TerrAscend which were exchanged pursuant to the Arrangement for new TerrAscend Exchangeable Shares. The TerrAscend Exchangeable Shares would only become convertible into common shares following changes in U.S. federal laws regarding the cultivation, distribution or possession of cannabis, the compliance of TerrAscend with such laws and the approval of the various securities exchanges upon which the issuer's securities are listed (the "TerrAscend Triggering Event"). The TerrAscend Exchangeable Shares are not transferrable or monetizable until exchanged into common shares. In the interim, the Company will not be entitled to voting rights, dividends or other rights upon dissolution of TerrAscend. As a result, the Company no longer has significant influence over TerrAscend and ceased using the equity method.

On November 30, 2018 the Company derecognized its investment in the common shares which were being accounted for using the equity method and recognized the TerrAscend Exchangeable Shares. The Company recognized a net gain of $8,678 in other (expense) income, net on the derecognition of the equity investment. The Company accounts for its investment in the TerrAscend Exchangeable Shares at fair value with any changes recorded in other income (expense).

Upon initial recognition, the fair value of the Company's investment in the TerrAscend Exchangeable Shares was estimated to be $135,000. At March 31, 2021 the fair value of the Company's investment in the TerrAscend Exchangeable Shares was estimated to be $385,000 (March 31, 2020 – $47,000) with a gain of $338,000 recorded in other income (expense), net in the year ended March 31, 2021 (year ended March 31, 2020 – a loss of $113,000, year ended March 31, 2019 – a gain of $25,000). See Note 6 for information regarding the completion of the plan of arrangement with RIV Capital, which included the acquisition, by Canopy Growth, of the TerrAscend Exchangeable Shares held by RCC. Additionally, see Note 26 for additional details on how the fair value of the Company's investment is calculated on a recurring basis.

TerrAscend Canada

On October 2, 2019, RIV Capital completed a $13,243 (US$10,000) investment in TerrAscend Canada, a wholly-owned subsidiary of TerrAscend, which included a term loan with a fair value of $10,853 and TerrAscend warrants with a fair value of $2,390. As of March 31, 2021, the fair value of the term loan was $10,240 (March 31, 2020 – $9,520), and the fair value of the warrants was $17,250 (March 31, 2020 – $804). As part of the completion of the plan of arrangement with RIV Capital, as described in Note 6, Canopy Growth acquired these securities from RCC. The non-cash additions in respect to these investments represents the inherent deferred tax liability on the initial acquisition of the assets from RIV Capital, as the accounting carrying value of the assets exceeds the tax basis.

On March 11, 2020, Canopy Growth completed an $80,526 investment in TerrAscend Canada. The investment includes a secured debenture (the "debenture") for $80,526, that matures the earliest of (i) March 10, 2030 and (ii) the later of March 10, 2025 and the date that is 24 months following the date that is the TerrAscend Triggering Event. The debenture bears interest at a rate of 6.1% and is payable annually.

As additional consideration, TerrAscend issued 17,808,975 common share purchase warrants (collectively, the "Warrants"). The Warrants consist of two tranches. The first tranche Warrants total 15,656,242 and are exercisable at a price of $5.41 per common share. They are exercisable upon the occurrence or waiver of TerrAscend the Triggering Event until the earliest of (i) March 10, 2030 and (ii) the later of (A) March 10, 2025 and (B) the date that is 24 months following the occurrence of the TerrAscend Triggering Event.

The second tranche Warrants total of 2,152,733 and are exercisable at a price of $3.74 per common share. They are exercisable upon the occurrence or waiver of the TerrAscend Triggering Event until the earliest of (i) March 10, 2031 and (ii) the later of (A) March 10, 2026 and (B) the date that is 36 months following the occurrence of the TerrAscend Triggering Event.

Canopy Growth has the right to set-off the applicable exercise price payable for the exercise of the Warrants against any amounts owing by TerrAscend, or any amounts owing under the Loan by TerrAscend Canada.

At issuance, the term loan had a fair value of $54,800 and the Warrants had a fair value of $25,626 with $100 of related transaction costs expensed. As of March 31, 2021, the fair value of the debenture was $56,330 (March 31, 2020 – $44,300) and the Warrants had a fair value of $152,910 (March 31, 2020 – $24,200). See Note 26 for additional details on how the fair value of the Company's investment is calculated on a recurring basis.

Arise Bioscience

On December 10, 2020, the Company entered into a loan financing agreement with Arise Bioscience, Inc. (“Arise Bioscience”), a wholly owned subsidiary of TerrAscend. The investment is in the amount of US$20,000 ($25,478) (the “Loan”) pursuant to a secured debenture (the “Arise Debenture”). The Arise Debenture bears interest at a rate of 6.1% and is payable beginning in the fourth year after its issuance. The Arise Debenture will mature on December 10, 2030.

In connection with the Loan, TerrAscend issued 2,105,718 common share purchase warrants to the Company (the “Additional Warrants”). 1,926,983 Additional Warrants are exercisable at a price of $15.28 per share, and expire on December 10, 2030. 178,735 Additional Warrants are exercisable at a price of $17.19 per share, and expire on December 10, 2031. The Additional Warrants will be exercisable by the Company following the TerrAscend Triggering Event. The Loan is repayable by Arise Bioscience at any time.

At issuance, the Arise Debenture had a fair value of $11,758 and the Additional Warrants had a fair value of $13,720. As of March 31, 2021, the Arise Debenture had a fair value of $13,077 and the Additional Warrants had a fair value of $13,240. See Note 26 for additional details on how the fair value of the Company’s investment is calculated on a recurring basis.

TerrAscend Option

On January 13, 2021, the Company entered into the TerrAscend Option to purchase 1,072,450 common shares of TerrAscend for aggregate consideration of US$10,529 ($13,445). At March 31, 2021 the fair value of the TerrAscend Option was estimated to be $10,600. See Note 26 for additional details on how the fair value of the Company’s investment is calculated on a recurring basis.

SLANG

SLANG Worldwide Inc. (“SLANG”) is a cannabis-focused branded consumer products company which is listed on the Canadian Securities Exchange (“CSE”). The Company holds share purchase warrants which allow it to acquire shares of SLANG on the occurrence of the triggering event, as defined below, provided the Company enters into a collaboration agreement with SLANG at the time of exercise. The number and exercise price of the share purchase warrants is dependent on the financings completed by SLANG up until the point of exercise. The triggering event is the date the growth, cultivation, production, sale, use and consumption of cannabis and cannabis-related products are permitted in the U.S. for any and all purposes under all applicable federal laws. The warrants expire the earlier of two years following the triggering event and December 15, 2032.

As at March 31, 2021, the share purchase warrants would provide the Company with the right to acquire:

- 31,619,975 shares for an aggregate exercise price of one dollar
- 11,602,370 shares at an exercise price of $1.50 per share
- 5,801,184 shares at an exercise price of $2.25 per share

As at March 31, 2021, management has estimated the fair value of the warrant at to be $9,400 (March 31, 2020 – $3,500), and a gain of $5,900 was recorded in other income (expense), net in the year ended March 31, 2021 (year ended March 31, 2020 – a loss of $40,500, year ended March 31, 2019 – a gain of $4,000). See Note 26 for additional details on how the fair value of the Company’s investment is calculated on a recurring basis.

ZeaKal

On June 14, 2019, RIV Capital acquired 248,473 preferred shares of ZeaKal, Inc. (“ZeaKal”), a California-based plant science company, for $13,487 which represents a 9% equity interest on a fully diluted basis. See Note 26 for additional details on how the fair value of the Company’s investment is calculated on a recurring basis. During the year ended March 31, 2021, a fair value loss of $1,486 was recognized in other income (expense), net (year ended March 31, 2020 – a gain of $699). As part of the completion of the plan of arrangement with RIV Capital, as described in Note 6, Canopy Growth no longer holds this investment.

Agripharm

RIV Capital advanced $8,000 to Agripharm under a royalty agreement during the year ended March 31, 2020. During the year ended March 31, 2021, a fair value loss of $7,200 was recognized in other income (expense), net (year ended March 31, 2020 – a loss of $5,654). As part of the completion of the plan of arrangement with RIV Capital, as described in Note 6, Canopy Growth no longer holds this investment.

Greenhouse

On January 14, 2019, RIV Capital invested $6,000 in 10831425 Canada Ltd. (“Greenhouse”), an organic, plant-based beverage producer and distributor, pursuant to a senior secured convertible debenture agreement (“Greenhouse Secured Debenture”). As part of the investment, the Company also committed to invest an additional $3,000 in Greenhouse pursuant to an unsecured convertible debenture agreement (the "Greenhouse Unsecured Debenture") and received preferred share purchase warrants and a control warrant. The Company is required to exercise $3,000 in preferred share purchase warrants upon achievement of future revenue targets. On May 1, 2019, the Company advanced $3,000 to Greenhouse pursuant to the Greenhouse Unsecured Debenture. The Greenhouse Secured Debenture, Greenhouse Unsecured Debenture, and warrants are currently exercisable and, if exercised, would together represent approximately 26% of the equity of Greenhouse on a fully diluted basis. In connection with its original investment in Greenhouse, the Company also owns an additional warrant that, if exercised, would increase its ownership interest in Greenhouse to 51%. See Note 26 for additional details on how the fair value of the Company's investment is calculated on a recurring basis.

During the year ended March 31, 2021, a fair value loss of $4,117 was recognized in other income (expense), net (year ended March 31, 2020 – a gain of $1,573). As part of the completion of the plan of arrangement with RIV Capital, as described in Note 6, Canopy Growth no longer holds this investment.

15. PROPERTY, PLANT AND EQUIPMENT

The components of property, plant and equipment are as follows:

	March 31, 2021	March 31, 2020
Buildings and greenhouses	$ 651,166	$ 876,732
Production and warehouse equipment	216,925	300,666
Leasehold improvements	106,837	75,964
Land	34,747	65,003
Office and lab equipment	30,546	29,978
Computer equipment	26,431	30,744
Right-of-use-assets		
Buildings and greenhouses	100,517	169,754
Production and warehouse equipment	530	927
Assets in process	129,428	365,644
	1,297,127	1,915,412
Less: Accumulated depreciation	(222,590)	(390,609)
	$ 1,074,537	$ 1,524,803

Depreciation expense included in cost of goods sold for the year ended March 31, 2021 is $51,737 (year ended March 31, 2020 – $52,249, year ended March 31, 2019 – $25,373). Depreciation expense included in selling, general and administrative expenses for the year ended March 31, 2021 is $19,177 (year ended March 31, 2020 – $21,467, year ended March 31, 2019 – $4,689).

See Note 5 for information on the impairment and abandonment of property, plant and equipment that resulted in charges in the amount of $426,748 that the Company recognized as part of its restructuring actions in the year ended March 31, 2021 (year ended March 31, 2020 – $334,964).

16. INTANGIBLE ASSETS

The components of intangible assets are as follows:

	March 31, 2021		March 31, 2020	
	Gross Carrying Amount	Net Carrying Amount	Gross Carrying Amount	Net Carrying Amount
Finite lived intangible assets				
Licensed brands	$ 21,812	$ 8,894	$ 66,227	$ 53,797
Distribution channel	73,756	35,176	74,768	47,117
Health Canada and operating licenses	-	-	63,631	57,250
Intellectual property	221,288	176,005	240,386	215,044
Software and domain names	18,648	10,799	16,056	10,013
Amortizable intangibles in process	1,952	1,952	9,590	9,590
Total	$ 337,456	$ 232,826	$ 470,658	$ 392,811
Indefinite lived intangible assets				
Operating licenses		$ 8,000		$ 7,000
Acquired brands		67,341		76,555
Total intangible assets		$ 308,167		$ 476,366

Amortization expense included in cost of goods sold for the year ended March 31, 2021 is $80 (year ended March 31, 2020 – $1,030, year ended March 31, 2019 – $35). Amortization expense included in selling, general and administrative expenses for the year ended March 31, 2021 is $56,124 (year ended March 31, 2020 – $50,267, year ended March 31, 2019 – $16,821).

Estimated amortization expense for each of the five succeeding fiscal years and thereafter is as follows:

2022	$	25,188
2023	$	17,808
2024	$	17,744
2025	$	16,694
2026	$	13,129
Thereafter	$	142,263

See Note 5 for information on (i) the abandonment of intangible assets that resulted in charges in the amount of $54,511 that the Company recognized as part of its restructuring actions in the year ended March 31, 2021 (year ended March 31, 2020 – $192,987) and (ii) impairment charges of $6,634 in the year ended March 31, 2021 (year ended March 31, 2020 – $54,020).

DCL

On May 30, 2018, the Company purchased 100% of the issued and outstanding shares of DCL. Based in the Kingdom of Lesotho, DCL holds a license to cultivate, manufacture, supply, hold, import, export and transport cannabis and its resin.

On closing, 666,362 common shares were issued to former shareholders of DCL at a price of $37.07 for consideration of $24,702. An additional 79,892 common shares were to be issued on the achievement of a licensing milestone. These shares were accounted for as equity classified contingent consideration. Management assessed the probability and timing of achievement and then discounted to present value using a put option pricing model in order to derive a fair value of the contingent consideration of $2,100. There was also the effective settlement of a note receivable of $500, which was advanced in cash by the Company prior to closing, for total consideration of $27,302.

An additional 253,586 common shares were to be issued to the former shareholders of DCL contingent on the achievement of certain operational milestones. These were accounted for as share-based compensation expense, and the fair value of the May 30, 2018 grant of $9,400 was being amortized over the expected vesting period.

The transaction was determined to be an asset acquisition under ASC 805 as DCL did not meet the definition of a business. A relative fair value approach was taken for allocating the consideration to the acquired assets and liabilities. This resulted in a value of $30,421 allocated to the operating license and a related $3,042 deferred income tax liability. The remaining assets and liabilities were not significant. The operating license was not being amortized as the Company concluded that it had an indefinite useful life.

As part of the Company's restructuring of its global operations in the year ended March 31, 2020 (see Note 5), the Company exited its operations in South Africa and Lesotho by transferring ownership of all of its African operations to a local business, with the transaction closing subsequent to March 31, 2020. Accordingly, the remaining intangible asset associated with the operating license acquired from DCL was impaired as at March 31, 2020 and the resulting charge is included in the restructuring-related impairment charge noted above. Additionally, the Company accelerated the share-based compensation expense relating to the unvested milestones described above, and recognized share-based compensation of $215 in the year ended March 31, 2020.

Spectrum Colombia

On July 5, 2018, the Company acquired Spectrum Colombia, which previously operated as Colombia Cannabis S.A.S. The consideration for the transaction was 1,193,237 common shares with a fair value of $46,119 based on the Company's share price on the closing date.

On July 5, 2018, in conjunction with the acquisition of Spectrum Colombia the Company acquired all the outstanding shares of Canindica in exchange for 595,184 common shares. Canindica was controlled by the principal of a company that provided services to the Company in connection with its Latin American and Caribbean businesses in the years ended March 31, 2020 and March 31, 2019. Canindica does not meet the definition of a business and the fair value of the consideration paid of $23,004 has been recorded as share-based compensation expense.

Upon the achievement of future cultivation and sales milestones, the Company was to issue up to 2,098,304 additional common shares of the Company to the former shareholders of Spectrum Colombia and shares to a value of $42,623 to the former shareholders of Canindica. The milestone shares were being provided in exchange for services and were being accounted for as share-based compensation expense. Management has estimated the grant date fair value of all these milestone shares to be $106,377 which was expensed rateably over the estimated vesting periods.

The acquisition of Spectrum Colombia was determined to be an asset acquisition under ASC 805 as it did not meet the definition of a business. A relative fair value approach was taken for allocating the consideration to the acquired assets and liabilities. This resulted in a value of $71,519 allocated to the operating license and a related $21,456 deferred income tax liability. The remaining assets and liabilities were not significant.

The operating license was not being amortized as the Company concluded that it had an indefinite useful life.

As part of the Company's restructuring of its global operations in the year ended March 31, 2020 (see Note 5), the Company ceased operations at the cultivation facility in Colombia. Accordingly, the operating license acquired from Spectrum Colombia was abandoned as at March 31, 2020 and the difference between the carrying value and expected salvage value is included in restructuring charges. Additionally, the Company accelerated the share-based compensation expense relating to certain of the unvested milestones associated with the acquisitions of Spectrum Colombia and Canindica, and recognized share-based compensation of $32,479 in the year ended March 31, 2020.

Cafina

On March 25, 2019, the Company acquired Cáñamo y Fibras Naturales, S.L. ("Cafina"), a Spanish-based licensed cannabis producer for consideration of $43,940 of which $36,074 in cash was advanced on closing, The acquisition date fair value of the remaining consideration was estimated to be $7,866 and was to be released to the former shareholders on the second and fourth anniversary of the acquisition, subject to certain representations and warranties.

The acquisition of Cafina was determined to be an asset acquisition under ASC 805 as it did not meet the definition of a business. A relative fair value approach was taken for allocating the consideration to the acquired assets and liabilities. This resulted in a value of $58,467 allocated to the operating license and a related $14,617 deferred income tax liability. The remaining assets and liabilities were not significant. The operating license was not being amortized as the Company concluded that it had an indefinite useful life.

As part of the Company's restructuring of its global operations in the year ended March 31, 2020 (see Note 5), the Company abandoned the operating license acquired from Cafina and the difference between the carrying value and expected salvage value is included in restructuring charges.

17. GOODWILL

The changes in the carrying amount of goodwill are as follows:

Balance, March 31, 2019	$ 1,489,859
Purchase accounting allocations	443,724
Finalization of Storz & Bickel purchase price allocation	(24,990)
Foreign currency translation adjustments	45,878
Balance, March 31, 2020	1,954,471
Foreign currency translation adjustments	(65,117)
Balance, March 31, 2021	$ 1,889,354

18. OTHER ACCRUED EXPENSES AND LIABILITIES

The components of other accrued expenses and liabilities are as follows:

	March 31, 2021	March 31, 2020
Property, plant and equipment	$ 3,978	$ 1,173
Professional fees	7,719	7,677
Employee compensation	47,137	33,415
Other	41,979	22,729
	$ 100,813	$ 64,994

19. DEBT

The components of debt are as follows:

	Maturity Date	March 31, 2021	March 31, 2020
Convertible senior notes at 4.25% interest with semi-annual interest payments	July 15, 2023		
Principal amount		$ 600,000	$ 600,000
Accrued interest		5,664	5,454
Non-credit risk fair value adjustment		109,710	(27,120)
Credit risk fair value adjustment		(27,960)	(128,130)
		687,414	450,204
Credit facility	March 18, 2026	891,677	-
Transferred receivables, bearing interest rate of EURIBOR plus 0.850%		-	4,678
Other revolving debt facility, loan, and financings		3,872	10,533
		1,582,963	465,415
Less: current portion		(9,827)	(16,393)
Long-term portion		$ 1,573,136	$ 449,022

Credit Facility

On March 18, 2021, the Company entered into a credit agreement (the “Credit Agreement”) providing for a five-year, first lien senior secured term loan facility in an aggregate principal amount of US$750,000 (the “Credit Facility”). The Company also has the ability to obtain up to an additional US$500,000 of incremental senior secured debt pursuant to the Credit Agreement.

The Credit Facility has no principal payments, matures on March 18, 2026, has a coupon of LIBOR plus 8.50% and is subject to a LIBOR floor of 1.00%. In the event that LIBOR can no longer be adequately ascertained or is no longer available, an alternative rate as permitted under the Credit Agreement will be used. The Company’s obligations under the Credit Facility are guaranteed by material wholly-owned Canadian and U.S. subsidiaries of the Company. The Credit Facility is secured by substantially all of these assets, including material real property, of the borrowers and each of the guarantors. The Credit Agreement contains representations and warranties, and affirmative and negative covenants, including a financial covenant requiring minimum liquidity of US$200,000 at the end of each fiscal quarter.

The proceeds from the Credit Facility were $893,160, and the carrying amount is reflected net of financing costs.

Convertible senior notes

On June 20, 2018, the Company issued convertible senior notes (the “Notes”) with an aggregate principal amount of $600,000. The Notes bear interest at a rate of 4.25% per annum, payable semi-annually on January 15th and July 15th of each year commencing from January 15, 2019. The Notes will mature on July 15, 2023. The Notes are subordinated in right of payment to any existing and future senior indebtedness, including indebtedness under the revolving credit facility. The Notes will rank senior in right of payment to any future subordinated borrowings. The Notes are effectively junior to any secured indebtedness and the Notes are structurally subordinated to all indebtedness and other liabilities of the Company’s subsidiaries.

Holders of the Notes may convert the Notes at their option at any time from January 15, 2023 to the maturity date. The Notes will be convertible, at the holder’s option, at a conversion rate of 20.7577 common shares for every $1 principal amount of Notes (equal to an initial conversion price of approximately $48.18 per common share), subject to adjustments in certain events. In addition, the holder has the right to exercise the conversion option from September 30, 2018 to January 15, 2023, if (i) the market price of the Company common shares for at least 20 trading days during a period of 30 consecutive trading days ending on the last trading day of the preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day, (ii) during the 5 business day period after any consecutive 5 trading day period (the “measurement period”) in which the trading price per $1 principal amount of the Notes for each trading day in the measurement period was less than 98% of the product of the last reported sales price of the Company’s common shares and the conversion rate on each such trading day, (iii) the Notes are called for redemption or (iv) upon occurrence of certain corporate events (“Fundamental Change”). A Fundamental Change occurred upon completion of the investment by Constellation Brands, Inc. (“CBI”) in November 2018, and no note holders surrendered any portion of their Notes as at the repurchase date of December 5, 2018.

The Company may, upon conversion by the holder, elect to settle in either cash, common shares, or a combination of cash and common shares, subject to certain circumstances. Under the terms of the indenture if a Fundamental Change occurs and a holder elects to convert its Notes from and including on the date of the fundamental change up to, and including, the business day immediately prior to the fundamental change repurchase date, the Company may be required to increase the conversion rate for the Notes so surrendered for conversion by a number of additional common shares.

The Company cannot redeem the Notes prior to July 20, 2021, except in the event of certain changes in Canadian tax law. On or after July 20, 2021, the Company could redeem for cash, subject to certain conditions, any or all of the Notes, at its option, if the last reported sales price of the Company's common shares for at least 20 trading days during any 30 consecutive trading day period ending within 5 trading days immediately preceding the date on which the Company provides notice of redemption exceeds 130% of the conversion price on each applicable trading day. The Company may also redeem the Notes, if certain tax laws related to Canadian withholding tax change subject to certain further conditions. The redemption of Notes in either case shall be at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

For accounting purposes, the equity conversion feature did not meet the equity classification guidance, therefore the Company elected the fair value option under ASC 825 - *Fair Value Measurements*. The Notes were initially recognized at fair value on the balance sheet. All subsequent changes in fair value, excluding the impact of the change in fair value related to Company's own credit risk are recorded in other income (expenses), net. The changes in fair value related to the Company's own credit risk is recorded through other comprehensive income (loss). Transaction costs directly attributable to the issuance of the Notes were immediately expensed in the consolidated statements of operations in the amount of $16,380.

The overall change in fair value of the Notes during the years ended March 31, 2021 and March 31, 2020 was an increase of $237,210 and a decrease of $385,500, respectively, which included contractual interest of $25,710 and $25,500, respectively. Refer to Note 26 for additional details on how the fair value of the Notes is calculated.

Alberta Treasury Board financing

On March 31, 2019 the Company acquired the limited partnership units of the limited partnerships that held the Delta and Aldergrove, British Columbia facilities and assumed the Alberta Treasury Board ("ATB") financing liability. The facility bears interest at prime plus 1.0% and matures on October 31, 2021. Quarterly principal payments are $2,500. The ATB term loan is secured by a financial charge over real property held by the Company in Delta and Aldergrove. On June 14, 2019, the Company repaid and terminated its ATB term loan facility. A payment of $95,180 was made to settle the loan balance.

Transferred receivables

The carrying amount of the transferred receivables include receivables which are subject to a factoring arrangement. Under this agreement, C3 has transferred the relevant receivables to PB Factoring GmbH in exchange for cash. The transferred receivables to PB Factoring GmbH are $nil (March 31, 2020 – $4,851) and the associated secured borrowing is $nil (March 31, 2020 – $4,678). The factoring arrangement with PB Factoring GmbH was repaid and subsequently terminated effective December 31, 2020.

Other revolving debt facility, loans, and financings

On August 13, 2019 the Company, through its wholly owned subsidiary, Tweed Farms Inc., entered into a $40,000 revolving debt facility with Farm Credit Canada ("FCC"). This debt facility replaced the previous loans with FCC. The extinguishment of $4,912 in previous FCC debt resulted in no gain or loss.

The current outstanding balance of the FCC debt facility is $nil (March 31, 2020 – $5,268) with an interest rate of 3.45%, or FCC prime rate plus 1.0%, and matures on September 3, 2024.

The FCC debt facility is secured by a first charge on the properties in Niagara-on-the-Lake, Ontario, a corporate guarantee from the Company, and a general corporate security agreement.

Debt payments

As of March 31, 2021, the required principal repayments under long-term debt obligations for each of the five succeeding fiscal years and thereafter are as follows:

2022	$	924
2023		921
2024		600,921
2025		921
2026		942,380
Thereafter		-
	$	1,546,067

20. OTHER LIABILITIES

The components of other liabilities are as follows:

	As at March 31, 2021			As at March 31, 2020		
	Current	Long-term	Total	Current	Long-term	Total
Acquisition consideration related liabilities	$ 16,577	$ 7,808	$ 24,385	$ 104,028	$ 9,791	$ 113,819
Lease liabilities	42,061	94,164	136,225	40,356	120,047	160,403
Minimum royalty obligations	1,005	1,751	2,756	9,368	50,445	59,813
Refund liability	6,441	-	6,441	17,586	-	17,586
Settlement liabilities and other	40,344	3,517	43,861	44,471	10,377	54,848
	$ 106,428	$ 107,240	$ 213,668	$ 215,809	$ 190,660	$ 406,469

In March 2021, the Company and More Life agreed to terminate the sublicense agreement between the two parties, and as a result the Company derecognized the remaining minimum royalty obligations owing to More Life in the amount of $33,681; refer to Note 13.

In March 2021, as part of its rationalization of certain licensing arrangements, the Company terminated a licensing agreement with a third party and, as a result, derecognized the remaining minimum royalty obligations owing to the third party in the amount of $18,810.

21. REDEEMABLE NONCONTROLLING INTEREST

The net change in the redeemable noncontrolling interests is as follows:

	BC Tweed	Vert Mirabel	BioSteel	Total
As at March 31, 2018	$ 56,300	$ 4,850	$ -	$ 61,150
Income attributable to noncontrolling interest	-	2,885	-	2,885
Adjustments to redemption amount	16,300	(1,335)	-	14,965
Purchase of redeemable noncontrolling interest	(72,600)	-	-	(72,600)
As at March 31, 2019	-	6,400	-	6,400
Initial recognition of noncontrolling interest	-	-	18,733	18,733
Income (loss) attributable to noncontrolling interest	-	8,220	(1,731)	6,489
Adjustments to redemption amount	-	5,630	32,498	38,128
As at March 31, 2020	-	20,250	49,500	69,750
Net loss attributable to redeemable noncontrolling interest	-	(11,906)	(6,171)	(18,077)
Adjustments to redemption amount	-	3,156	80,471	83,627
As at March 31, 2021	$ -	$ 11,500	$ 123,800	$ 135,300

22. SHARE CAPITAL

CANOPY GROWTH

Authorized

An unlimited number of common shares.

(i) Equity financings

There were no equity financings during the years ended March 31, 2021 and 2020.

On November 1, 2018, the Company issued 104,500,000 common shares from treasury and two tranches of warrants to CBI in exchange for proceeds of $5,072,500. The first tranche warrants, being the Tranche A Warrants, will allow CBI to acquire 88.5 million additional common shares of Canopy Growth for a fixed price of $50.40 per share. The second tranche warrants, being the Original Tranche B Warrants, allows CBI to acquire 51.3 million additional common shares at a price equal to the 5-day volume weighted average price of the common shares on the Toronto Stock Exchange (“TSX”) at the time of exercise. The Original Tranche B Warrants can only be exercised after the Tranche A Warrants have been exercised. The Tranche A Warrants vested immediately upon closing of the transaction and the Original Tranche B Warrants become exercisable once the Tranche A Warrants have been exercised. The Tranche A Warrants and the Original Tranche B Warrants had an initial expiry date of November 1, 2021, which was subsequently extended to November 1, 2023, in the case of the Tranche A Warrants and November 1, 2026, in the case of the Original Tranche B Warrants (as reclassified as the Tranche B Warrants and the Tranche C Warrants).

The proceeds of the common share issuance were allocated to the common shares and Tranche A Warrants based on their relative fair values in the amount of $3,567,149 and $1,505,351, respectively. The fair value of the common shares was determined using the closing price on October 31, 2018, and the fair value of the warrants was determined using a Black-Scholes model. Share issuance costs of $8,509 were allocated to the common shares and $3,591 to the warrants. Since the Original Tranche B Warrants were initially issued with an exercise price equal to the 5-day volume weighted average price immediately prior to exercise, they fail the ‘fixed for fixed’ criterion and were classified as a derivative liability. Management has estimated that the value of this liability is nominal, and no value was allocated to the Original Tranche B Warrants. The Tranche A Warrants and Original Tranche B Warrants were subsequently modified on June 27, 2019, refer to Note 31 for additional details.

(ii) Other issuances of common shares

During the year ended March 31, 2021, the Company issued the following shares, net of share issuance costs, as a result of business combinations, milestones being met, and other equity-settled transactions:

	Number of shares	Share capital	Share based reserve
Completion of acquisition milestones	2,598,978	$ 46,903	$ (19,059)
Other issuances	449,729	14,906	(14,894)
Total	3,048,707	$ 61,809	$ (33,953)

During the year ended March 31, 2020, the Company issued the following shares, net of share issuance costs, as a result of business combinations, milestones being met, and other equity-settled transactions:

	Number of shares	Share capital	Share based reserve
Acquisition of BC Tweed NCI release from escrow	6,940,531	$ 223,036	$ (223,036)
Completion of acquisition milestones	1,121,605	29,561	(29,687)
Other issuances	597,936	19,369	(19,511)
Total	8,660,072	$ 271,966	$ (272,234)

During the year ended March 31, 2019, the Company issued the following shares, net of share issuance costs, as a result of business combinations, milestones being met, and other equity-settled transactions:

	Number of shares	Share capital	Share based reserve
Hiku	7,943,123	$ 543,616	$ -
BC Tweed NCI	6,353,438	244,100	223,036
ebbu	5,275,005	233,802	29,880
CHI	3,076,941	97,832	-
Spectrum Colombia	1,193,237	46,018	-
Completion of acquisition milestones	2,455,446	45,277	(45,310)
DCL	666,362	24,644	1,956
Other issuances	897,079	28,984	(6,927)
Total	27,860,631	$ 1,264,273	$ 202,635

(iii) Warrants

	Number of whole warrants	Average exercise price	Warrant value
Balance outstanding at March 31, 2018	18,912,012	$ 12.96	$ 70,455
Issuance of warrants	88,472,861	50.40	1,501,760
Replacement warrants granted through Hiku acquisition	920,452	41.28	30,611
Exercise of warrants	(457,002)	41.12	(12,901)
Expiry of warrants	(1)	3.80	-
Balance outstanding at March 31, 2019	107,848,322	$ 43.80	$ 1,589,925
Tranche A warrant modification	-	-	1,049,153
Issuance of Tranche B warrants	38,454,444	76.68	-
Other issuance of warrants	9,200	32.83	359
Exercise of warrants	(12,523)	35.55	(486)
Balance outstanding at March 31, 2020[1]	146,299,443	$ 52.44	$ 2,638,951
Exercise of warrants	(18,882,927)	12.98	(70,513)
Expiry of warrants	(343,380)	41.49	-
Balance outstanding at March 31, 2021[1]	127,073,136	$ 58.33	$ 2,568,438

[1] This balance excludes the Tranche C Warrants, which represent a derivative liability and have nominal value, see note 31.

RIV CAPITAL

Completion of RIV Arrangement

The RIV Arrangement was completed on February 23, 2021. Pursuant to the RIV Arrangement, Canopy Growth surrendered 36,468,318 MVS and 15,223,938 SVS in the capital of RIV Capital and as a result held no MVS (March 31, 2020 – 36,468,318) and no SVS (March 31, 2020 – 15,223,938). The Company's MVS and SVS holdings at March 31, 2020 represented a 27.3% ownership interest and 84.4% voting interest in RIV Capital at that time. The voting rights allowed the Company to direct the relevant activities of RIV Capital such that the Company had control over RIV Capital until the completion of the RIV Arrangement on February 23, 2021, and RIV Capital was consolidated in these financial statements until that date. Upon completion of the RIV Arrangement, the Company no longer controlled RIV Capital, and the Company derecognized RIV Capital's consolidated assets and liabilities from its consolidated financial statements.

Share buyback

On April 2, 2020, RIV Capital received approval from the TSX to commence a normal course issuer bid ("NCIB") to purchase up to 10,409,961 SVS, representing 10% of RIV Capital's issued and outstanding SVS, in the open market or as otherwise permitted by the TSX, subject to the normal terms and limitations of such bids. The NCIB expired on April 1, 2021.

Daily purchases were limited to 70,653 SVS, representing 25% of the average daily trading volume on the TSX over a specified period. The NCIB was utilized at the sole discretion of RIV Capital, with no contractual obligation to purchase any specified number of shares. All SVS purchases made by RIV Capital under the NCIB were funded out of RIV Capital's working capital and were cancelled immediately.

During the year ended March 31, 2021, RIV Capital repurchased and cancelled a total of 273,300 SVS under the NCIB program for $307, at a weighted average acquisition price of $1.11 per share.

Financings

Year ended March 31, 2021

There were no financings during the year ended March 31, 2021, other than the release of shares related to share purchase financings as noted above.

Year ended March 31, 2020

There were no financings during the year ended March 31, 2020, other than the release of shares related to share purchase financings as noted above.

Year ended March 31, 2019

On April 6, 2018, RIV Capital completed a non-brokered private placement of 454,545 Class B Shares for aggregate gross proceeds of $500 and share issuance costs of $nil.

On July 6, 2018, RIV Capital completed a private placement offering, pursuant to which RIV Capital issued an aggregate of 29,774,857 subscription receipts at a price of $3.50 per subscription receipt for gross proceeds of $104,212, including $15,050 invested by the Company. RIV Capital issued 28,792,000 subscription receipts pursuant to a brokered offering and 982,857 subscription receipts on a non-brokered basis. Funds from the private placement were placed in escrow pending the completion of the reverse takeover ("RTO") with AIM2 Ventures Inc. ("AIM2"), defined as the Qualifying Transaction. Share issue costs of $3,371 were incurred as part of this private placement offering, which have been deducted from the carrying value of the noncontrolling interest.

On September 17, 2018 RIV Capital completed the RTO, the funds were released from escrow and RIV Capital began trading on the TSX Venture Exchange.

Since AIM2 does not have the inputs and processes capable of producing outputs that are necessary to meet the definition of a business as defined by ASC 805, the RTO has been accounted for under ASC 718 - *Stock-based compensation*. Accordingly, the RTO has been accounted for at the fair value of the equity instruments granted by the shareholders of RIV Capital to the shareholders and option holders of AIM2. Consideration paid by the acquirer of $1,353 is measured at the fair value of the equity issued to the shareholders of AIM2 (361,377 shares at $3.50 per share, 36,137 options with a fair value of $89 calculated using a Black-Scholes option pricing model and 18,821 broker warrants measured using the Black-Scholes option pricing model), with the excess amount above the fair value of the net assets acquired, treated as a reduction to equity.

The assets acquired and liabilities assumed at their fair value on the acquisition date are as follows.

	Amount
Consideration	$ 1,353
Cash acquired	584
Difference to deficit	769

On February 27, 2019, RIV Capital completed a brokered equity financing pursuant to which a syndicate of underwriters purchased 13,225,000 SVS of RIV Capital on a bought deal basis at a price of $4.80 per SVS (the "Issue Price") for gross proceeds of approximately $63,479 (the "Bought Deal"). Concurrent with the Bought Deal, the Company purchased 6,250,000 SVS on a private placement basis, at a price per SVS equal to the Issue Price for additional gross proceeds of approximately $30,000. Share issuance costs of $2,979 were paid in connection with the offering.

Associated with the July 2018 and February 2019 financings, an amount of $5,246 has been recorded as an increase in equity attributable to the parent which represents the change in the carrying amount of the noncontrolling interest as a result of the difference between the consideration paid and the net assets acquired and the dilution of Canopy Growth's ownership interest.

23. SHARE-BASED COMPENSATION

CANOPY GROWTH CORPORATION SHARE-BASED COMPENSATION PLAN

Canopy Growth's eligible employees participate in a share-based compensation plan as noted below.

On September 21, 2020, the Company's shareholders approved amendments to the Company's Amended and Restated Omnibus Incentive Plan (as amended and restated, the "Omnibus Plan") pursuant to which the Company can issue share-based long-term incentives. The Omnibus Plan approved by the shareholders extended the maximum term of each Option (as defined below) to be granted by the Company to ten years from the date of grant rather than six years from the date of grant. All directors, officers, employees and independent contractors of the Company are eligible to receive awards of common share purchase options ("Options"), restricted share units ("RSUs"), performance share units ("PSUs"), deferred share units, stock appreciation rights, performance awards, or other shares-based awards (collectively, the "Awards") under the Omnibus Plan.

Under the Omnibus Plan, the maximum number of shares issuable from treasury pursuant to Awards shall not exceed 15% of the total outstanding shares from time to time less the number of shares issuable pursuant to all other security-based compensation arrangements of the Company. The maximum number of common shares reserved for Awards is 57,431,277 at March 31, 2021 (March 31, 2020 – 52,516,939). As of March 31, 2021, the only Awards issued have been options and RSUs under the Omnibus Plan.

The Omnibus Plan is administered by the Board of Directors of the Company who establishes exercise prices, at not less than the market price at the date of grant, and expiry dates. Options under the Omnibus Plan generally remain exercisable in increments with 1/3 being exercisable on each of the first, second and third anniversaries from the date of grant, with expiry dates set at ten years from issuance. The Board of Directors has the discretion to amend general vesting provisions and the term of any award, subject to limits contained in the Omnibus Plan.

The Employee Share Purchase Plan (the "Purchase Plan") is the Company's only other share-based compensation arrangement. Under the Purchase Plan, the aggregate number of common shares that may be issued is 600,000, and the maximum number of common shares which may be issued in any one fiscal year shall not exceed 300,000. As of March 31, 2021, 37,312 common shares have been issued under the Purchase Plan.

The following is a summary of the changes in the Company's Omnibus Plan employee options during the years ended March 31, 2019, 2020 and 2021:

	Options issued		Weighted average exercise price
Balance outstanding at March 31, 2018	17,245,835	$	12.95
Options granted	22,145,198		51.49
Replacement options issued as a result of the CHI acquisition	568,005		14.98
Replacement options issued as a result of the Hiku acquisition	291,629		10.64
Options exercised	(5,318,923)		11.48
Options forfeited/cancelled	(2,099,849)		55.37
Balance outstanding at March 31, 2019	32,831,895	$	34.10
Options granted	9,454,714		33.87
Options exercised	(3,900,032)		10.63
Options forfeited/cancelled	(5,878,182)		44.95
Balance outstanding at March 31, 2020	32,508,395	$	34.89
Options granted	478,215		28.15
Options exercised	(7,062,317)		22.22
Options forfeited	(8,219,982)		41.27
Balance outstanding at March 31, 2021	17,704,311	$	36.79

The following is a summary of the outstanding stock options as at March 31, 2021:

	Options Outstanding		**Options Exercisable**	
Range of Exercise Prices	**Outstanding at March 31, 2021**	**Weighted Average Remaining Contractual Life (years)**	**Exercisable at March 31, 2021**	**Weighted Average Remaining Contractual Life (years)**
$0.06 - $24.62	2,453,326	3.35	1,487,082	2.60
$24.63 - $33.53	4,101,039	4.11	2,135,373	3.61
$33.54 - $36.80	3,565,712	3.69	2,235,097	3.67
$36.81 - $42.84	3,149,145	3.92	1,691,484	3.52
$42.85 - $67.64	4,435,089	3.88	2,434,908	3.76
	17,704,311	3.83	9,983,944	3.49

At March 31, 2021, the weighted average exercise price of options outstanding and options exercisable was $36.79 and $36.97, respectively (March 31, 2020 – $34.89 and $31.84, respectively).

The Company recorded $67,737 in share-based compensation expense related to Options issued to employees and contractors for the year ended March 31, 2021 (for the year ended March 31, 2020 – $248,450, for the year ended March 31, 2019 – $151,813). The share-based compensation expense for the year ended March 31, 2021 includes an amount related to 2,152,938 options being provided in exchange for services which are subject to performance conditions (for the year ended March 31, 2020 – 2,160,068, for the year ended March 31, 2019 – 595,000).

During the year ended March 31, 2019, the Company issued replacement options to employees in relation to the acquisitions of CHI and Hiku Brands Company Ltd. ("Hiku") (Note 30) and recorded share-based compensation expense of $10,917, related to these replacement options, of which $7,503 relates to an immediate share-based compensation expense recorded at the CHI acquisition date to reflect the accelerated vesting of certain CHI replacement options.

With the exception of 17,559 options which are subject to market-based performance conditions (March 31, 2020 – 571,689) and valued using the Monte Carlo simulation model, the Company uses the Black-Scholes option pricing model to establish the fair value of options granted during the years ended March 31, 2021, 2020 and 2019 on their measurement date by applying the following assumptions:

	March 31, 2021	March 31, 2020	March 31, 2019
Risk-free interest rate	0.36%	1.38%	2.00%
Expected life of options (years)	1 - 7	3 - 5	2 - 5
Expected volatility	76%	73%	75%
Expected forfeiture rate	17%	12%	12%
Expected dividend yield	nil	nil	nil
Black-Scholes value of each option	$15.24	$19.83	$24.98

Volatility was estimated by using the historical volatility of the Company and other companies that the Company considers comparable that have trading and volatility history prior to the Company becoming public. The expected life in years represents the period of time that options granted are expected to be outstanding. The risk-free rate was based on zero coupon Canada government bonds with a remaining term equal to the expected life of the options.

During the year ended March 31, 2021, 7,062,317 Options issued under the Omnibus Plan were exercised ranging in price from $0.06 to $67.64 for gross proceeds of $156,897 (for the year ended March 31, 2020 – 3,900,032 Options issued under the Omnibus Plan were exercised ranging in price from $0.06 to $40.68 for gross proceeds of $41,413, for the year ended March 31, 2019 – 5,318,923 Options under the Omnibus Plan were exercised ranging in prices from $0.56 to $40.68 for gross proceeds of $48,159).

During the year ended March 31, 2021, the Company issued 142,826 RSUs under the Omnibus Plan. For the year ended March 31, 2021, the Company recorded $11,448 in share-based compensation expense related to these RSUs (for the year ended March 31, 2020 – $2,308, for the year ended March 31, 2019 – $3,709). The following is a summary of changes in the Company's RSUs during the years ended March 31, 2019, 2020 and 2021:

	Number of RSUs
Balance outstanding at March 31, 2018	-
RSUs granted	201,821
RSUs released	(52,871)
RSUs cancelled and forfeited	(11,722)
Balance outstanding at March 31, 2019	137,228
RSUs granted	875,673
RSUs released	(29,892)
RSUs cancelled and forfeited	(100,000)
Balance outstanding at March 31, 2020	883,009
RSUs granted	142,826
RSUs released	(120,399)
RSUs cancelled and forfeited	(152,126)
Balance outstanding at March 31, 2021	753,310

Share-based compensation expense related to acquisition milestones is comprised of:

	Years ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Canindica	$ 2,398	$ 15,308	$ 42,499
Spectrum Colombia	-	34,861	28,893
Spectrum Denmark	-	550	9,895
Other	5,738	11,453	18,877
	$ 8,136	$ 62,172	$ 100,164

During the year ended March 31, 2021, 2,598,978 shares (during the year ended March 31, 2020 – 1,121,605, during the year ended March 31, 2019 – 2,455,446) were released on completion of acquisition milestones. At March 31, 2021, there were up to 3,153,585 shares to be issued on the completion of acquisition and asset purchase milestones. In certain cases, the number of shares to be issued is based on the volume weighted average share price at the time the milestones are met. The number of shares has been estimated assuming the milestones were met at March 31, 2021. The number of shares excludes shares that were to be issued on July

4, 2023 to the previous shareholders of Spectrum Colombia and Canindica based on the fair market value of the Company's Latin American business on that date. See Note 16 for further information.

In the year ended March 31, 2020, as a result of the restructuring of our operations in Colombia and Lesotho, the Company accelerated share-based compensation expense relating to the unvested milestones associated with the acquisitions of Spectrum Colombia, Canindica, and DCL in the year ended March 31, 2019. Accordingly, the Company recognized share-based compensation expense of $32,694 in the year ended March 31, 2020. See Note 5 for further information.

During the year ended March 31, 2021, the Company recorded share-based payments of $nil (during the year ended March 31, 2020 – $nil, during the year ended March 31, 2019 – $4,781) related to shares issued for payment of royalties and sales and marketing services.

BioSteel share-based payments

On October 1, 2019, the Company purchased 72% of the outstanding shares of BioSteel Sports Nutrition Inc. ("BioSteel") (see Note 30(b)(iii)). BioSteel has a stock option plan under which non-transferable options to purchase common shares of BioSteel may be granted to directors, officers, employees, or independent contractors of the BioSteel. As at March 31, 2021, the Company had 1,581,000 (March 31, 2020 – 1,008,000) options outstanding which vest in equal tranches over a 5-year period. In determining the amount of share-based compensation related to these options, BioSteel used the Black-Scholes option pricing model to establish the fair value of options on their measurement date. The Company recorded $1,169 (year ended March 31, 2020 – $489) of share-based compensation expense related to the BioSteel options during the year ended March 31, 2021 with a corresponding increase in noncontrolling interest.

RIV CAPITAL SHARE-BASED COMPENSATION PLAN

Seed Capital Options

On May 12, 2017, seed capital options were issued. These seed capital options consisted of 10,066,668 SVS that were issued by way of share purchase loans. Since they were issued through loans, they are not considered issued for accounting purposes until the loan is repaid. The seed capital options were measured at fair value on May 12, 2017, using a Black-Scholes option pricing model and will be expensed over their vesting period. Where there are performance conditions in addition to service requirements RIV Capital has estimated the number of shares it expects to vest and is amortizing the expense over the expected vesting period.

	Seed capital options issued	Seed capital loan balance
Balance outstanding at March 31, 2018	10,066,668	$ 503
Options exercised	(6,227,776)	(311)
Balance outstanding at March 31, 2019	3,838,892	$ 192
Options exercised	(999,998)	(50)
Options forfeited	(33,334)	(2)
Balance outstanding at March 31, 2020	2,805,560	$ 140
Options exercised	(1,905,559)	(95)
Options forfeited	(533,334)	(26)
Options expired	(333,333)	(17)
Balance outstanding at February 23, 2021	33,334	$ 2

RIV Capital had a long-term incentive plan ("LTIP") under which non-transferable options, RSUs, PSU, stock appreciation rights, and restricted stock may be granted to directors, officers, employees, or other eligible service providers of RIV Capital. Pursuant to the LTIP, the maximum number of SVS issuable from treasury pursuant to outstanding options, RSUs and PSUs was not to exceed 10% of the issued and outstanding SVS and MVS, on an aggregate basis.

The LTIP was administered by the Board of Directors of RIV Capital who established exercise prices, at not less than the market price at the date of the grant, and expiry dates. Options under the LTIP generally became exercisable in increments, with one-third being exercisable on each of the first, second, and third anniversaries from the date of grant, and had expiry dates five years from the date of grant. The Board of Directors of RIV Capital had the discretion to amend general vesting provisions and the term of any option grant, subject to limits contained in the LTIP. The seed capital options were not within the scope of the LTIP.

The following is a summary of the changes in RIV Capital's stock options, excluding the seed capital options presented separately, during the years ended March 31, 2019 and 2020, and during the period from April 1, 2020 to the completion of the RIV Arrangement on February 23, 2021:

	Options issued	Weighted average exercise price
Balance outstanding at March 31, 2018	5,915,000	$ 0.68
Options granted	6,762,137	3.32
Options exercised	(154,882)	0.78
Balance outstanding at March 31, 2019	12,522,255	$ 1.98
Options granted	2,068,000	3.38
Options exercised	(1,244,997)	0.90
Options forfeited	(166,667)	0.60
Options expired	(112,587)	3.33
Balance outstanding at March 31, 2020	13,066,004	$ 2.31
Options granted	-	-
Options exercised	(2,175,001)	0.64
Options expired	(632,667)	3.59
Options forfeited	(643,336)	2.67
Balance outstanding at February 23, 2021	9,615,000	$ 2.72

In determining the amount of share-based compensation related to options issued during the year, RIV Capital used the Black-Scholes option pricing model to establish the fair value of options granted in the period from April 1, 2020 to February 23, 2021, and the years ended March 31, 2020 and 2019 on their measurement date by applying the following assumptions:

	March 31, 2021	March 31, 2020	March 31, 2019
Risk-free interest rate	-	1.40%	1.70%
Expected life of options (years)	-	3 - 4	0.4 - 4
Expected volatility	-	70%	70%
Expected forfeiture rate	-	nil	nil
Expected dividend yield	-	nil	nil
Black-Scholes value of each option	-	$1.69	$1.80

Volatility was estimated using companies that RIV Capital considered comparable that have trading and volatility history prior to RIV Capital becoming public. The expected life in years represents the period of time that options granted are expected to be outstanding. The risk-free rate was based on zero coupon Canada government bonds with a remaining term equal to the expected life of the options.

In the period from April 1, 2020 to February 23, 2021, the Company recorded $1,933 (year ended March 31, 2020 – $6,567, year ended March 31, 2019 – $6,844) in share-based compensation expense related to these options and the seed capital options with a corresponding increase to noncontrolling interests.

In the period from April 1, 2020 to February 23, 2021, RIV Capital granted 28,884 (year ended March 31, 2020 – 356,308, year ended March 31, 2019 – none) restricted share units which vest immediately. For the year ended, the Company recorded $190 (year ended March 31, 2020 – $290, year ended March 31, 2019 – $nil) of share-based compensation expense related to these restricted share units.

In the period from April 1, 2020 to February 23, 2021, RIV Capital granted 1,210,000 (years ended March 31, 2019 and 2020 – none) performance share units which vest over a three-year period. In the period from April 1, 2020 to February 23, 2021, 330,000 performance share units were forfeited (years ended March 31, 2019 and 2020 – none). In the period from April 1, 2020 to February 23, 2021, the Company recorded $536 (years ended March 31, 2019 and 2020 – $nil) of share-based compensation expense related to these performance share units.

24. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Accumulated other comprehensive income includes the following components:

	Foreign currency translation adjustments	Changes of own credit risk of financial liabilities	Fair value of other financial assets	Accumulated other comprehensive income (loss)
As at March 31, 2018	$ 608	$ -	$ 34,800	$ 35,408
Cumulative effect from adoption of ASU2016-1	-	-	(34,800)	(34,800)
Other comprehensive income (loss)	40,617	(47,130)	-	(6,513)
As at March 31, 2019	41,225	(47,130)	-	(5,905)
Other comprehensive income	85,498	175,260	-	260,758
Income tax expense	-	(33,954)	-	(33,954)
As at March 31, 2020	126,723	94,176	-	220,899
Other comprehensive loss	(154,969)	(100,170)	-	(255,139)
As at March 31, 2021	$ (28,246)	$ (5,994)	$ -	$ (34,240)

25. NONCONTROLLING INTERESTS

The net change in the noncontrolling interests is as follows:

	RIV Capital	Vert Mirabel	BioSteel	Other non-material interests	Total
As at March 31, 2018	$ 80,844	$ 750	$ -	$ 4,138	$ 85,732
Comprehensive income (loss)	20,325	4,550	-	(655)	24,220
Share-based compensation	6,844	-	-	-	6,844
Net loss attributable to redeemable noncontrolling interest	-	(2,885)	-	-	(2,885)
Ownership changes	143,487	7	-	(432)	143,062
Warrants	28,512	-	-	-	28,512
As at March 31, 2019	280,012	2,422	-	3,051	285,485
Comprehensive (loss) income	(77,313)	12,930	(1,731)	-	(66,114)
Net (loss) income loss attributable to redeemable noncontrolling interest	-	(8,220)	1,731	-	(6,489)
Share-based compensation	6,857	-	489	-	7,346
Ownership changes	1,530	-	-	-	1,530
As at March 31, 2020	211,086	7,132	489	3,051	221,758
Comprehensive income (loss)	94,532	(14,261)	(6,171)	-	74,100
Net loss attributable to redeemable noncontrolling interest	-	11,906	6,171	-	18,077
Share-based compensation	2,659	-	1,169	-	3,828
Ownership changes[1]	(308,527)	(4,777)	-	-	(313,304)
Warrants	250	-	-	-	250
As at March 31, 2021	$ -	$ -	$ 1,658	$ 3,051	$ 4,709

[1] Refer to Note 6 for information regarding the completion of the plan of arrangement with RIV Capital.

26. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value measurements are made using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value:

- Level 1 - defined as observable inputs such as quoted prices in active markets;
- Level 2 - defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and
- Level 3 - defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The fair value measurement is categorized in its entirety by reference to its lowest level of significant input.

The Company records cash, accounts receivable, interest receivable and, accounts payable, and other accrued expenses and liabilities at cost. The carrying values of these instruments approximate their fair value due to their short-term maturities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

Assets and liabilities recognized or disclosed at fair value on a nonrecurring basis may include items such as property, plant and equipment, goodwill and other intangible assets, equity and other investments and other assets. We determine the fair value of these items using Level 3 inputs, as described in the related sections below.

The following table represents our financial assets and liabilities measured at estimated fair value on a recurring basis:

	Fair value measurement using			
	Quoted prices prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
March 31, 2021				
Assets:				
Short-term investments	$ 1,144,563	$ -	$ -	$ 1,144,563
Restricted short-term investments	11,332	-	-	11,332
Other financial assets	254	-	700,728	700,982
Liabilities:				
Convertible senior notes	-	687,414	-	687,414
Liability arising from Acreage Arrangement	-	-	600,000	600,000
Warrant derivative liability	-	-	615,575	615,575
March 31, 2020				
Assets:				
Short-term investments	$ 673,323	$ -	$ -	$ 673,323
Restricted short-term investments	21,539	-	-	21,539
Other financial assets	2,596	36	192,473	195,105
Liabilities:				
Convertible senior notes	-	450,204	-	450,204
Liability arising from Acreage Arrangement	-	-	250,000	250,000
Warrant derivative liability	-	-	322,491	322,491

See Note 5 for further details regarding the abandonment and impairment of long-lived assets as a result of the Company's restructuring of its global operations and its annual impairment testing for the years ended March 31, 2021 and 2020.

The following table summarizes the valuation techniques and significant unobservable inputs in the fair value measurement of significant level 2 financial instruments:

Financial asset / financial liability	Valuation techniques	Key inputs
Convertible senior note	Convertible note pricing model	Quoted prices in over-the-counter broker market

The following table summarizes the valuation techniques and significant unobservable inputs in the fair value measurement of significant level 3 financial instruments:

Financial asset / financial liability	Valuation techniques	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Acreage financial instrument	Probability weighted expected return model	Probability of each scenario	Change in probability of occurrence in each scenario will result in a change in fair value
		Number of common shares to be issued	Increase or decrease in value and number of common shares will result in a decrease or increase in fair value
		Probability and timing of US legalization	Increase or decrease in probability of US legalization will result in an increase or decrease in fair value
		Estimated premium on US legalization	Increase or decrease in estimated premium on US legalization will result in an increase or decrease in fair value
		Control premium	Increase or decrease in estimated control premium will result in an increase or decrease in fair value
		Market access premium	Increase or decrease in estimated market access premium will result in an increase or decrease in fair value
TerrAscend Exchangeable Shares, TerrAscend Option	Put option pricing model	Probability and timing of US legalization	Increase or decrease in probability of US legalization will result in an increase or decrease in fair value
Hempco Debenture	Discounted cash flow	Discount rate	Increase or decrease in discount rate will result in a decrease or increase in fair value
TerrAscend warrants - October 2019, March 2020, December 2020	Monte Carlo simulation model	Probability and timing of US legalization	Increase or decrease in probability of US legalization will result in an increase or decrease in fair value
Arise Bioscience term loan, TerrAscend Canada term loan - October 2019, March 2020	Discounted cash flow	Probability and timing of US legalization	Increase or decrease in probability of US legalization will result in an increase or decrease in fair value
		Discount rate	Increase or decrease in discount rate will result in a decrease or increase in fair value
SLANG Worldwide Warrant	Black-Sholes option pricing model	Probability and timing of US legalization	Increase or decrease in probability of US legalization will result in an increase or decrease in fair value
Warrant derivative liability	Monte Carlo simulation model	Volatility of Canopy Growth share price	Increase or decrease in volatility will result in an increase or decrease in fair value
BioSteel redeemable NCI	Discounted cash flow	Discount rate	Increase or decrease in discount rate will result in a decrease or increase in fair value
		Future wholesale price and production levels	Increase or decrease in future wholesale price and production levels will result in an increase or decrease in fair value
Vert Mirabel redeemable noncontrolling interest	Discounted cash flow	Discount rate	Increase or decrease in discount rate will result in a decrease or increase in fair value
		Future wholesale price and production levels	Increase or decrease in future wholesale price and production levels will result in an increase or decrease in fair value

27. REVENUE

Revenue is dissaggregated as follows:

	Years ended March 31, 2021	Years ended March 31, 2020	Years ended March 31, 2019
Canadian recreational cannabis net revenue			
Business-to-business[1]	$ 163,585	$ 121,605	$ 93,836
Business-to-consumer	66,016	52,044	23,144
	229,601	173,649	116,980
Canadian medical cannabis net revenue[2]	55,448	51,647	65,221
	285,049	225,296	182,201
International and other revenue			
C[3]	62,335	53,770	-
Other	31,296	15,869	10,243
	93,631	69,639	10,243
Global cannabis net revenue	378,680	294,935	192,444
Other consumer products			
Storz & Bickel	80,998	48,329	17,768
This Works	33,314	24,725	-
Other	53,657	30,783	16,129
Other consumer products revenue	167,969	103,837	33,897
Net revenue	$ 546,649	$ 398,772	$ 226,341

[1]Canadian recreational business-to-business net revenue reflects excise taxes of $54,928 (year ended March 31, 2020 - $35,649, and year ended March 31, 2019 - $23,552).
[2]Canadian medical cannabis net revenue reflects excise taxes of $5,621 (year ended March 31, 2020 - $5,205, and year ended March 31, 2019 - $3,538).

The Company recognizes variable consideration related to estimated future product returns and price adjustments as a reduction of the transaction price at the time revenue for the corresponding product sale is recognized. Net revenue reflects actual returns and variable consideration related to estimated returns and price adjustments in the amount of $14,000 for the year ended March 31, 2021 (year ended March 31, 2020 – $51,500, and year ended March 31, 2019 – $nil). As of March 31, 2021, the liability for estimated returns and price adjustments was $6,441 (March 31, 2020 – $17,586).

28. OTHER INCOME (EXPENSE), NET

Other income (expense), net is dissaggregated as follows:

	Years ended March 31, 2021	Years ended March 31, 2020	Years ended March 31, 2019
Fair value changes on other financial assets	$ 435,107	$ (243,965)	$ 83,393
Fair value changes on liability arising from Acreage Arrangement	(399,849)	(645,190)	-
Fair value changes on convertible senior notes	(162,540)	184,740	(203,095)
Fair value change on warrant derivative liability	(293,084)	795,149	-
Fair value changes on acquisition related contingent consideration	39,608	12,293	(1,016)
Interest income	21,367	66,327	49,312
Interest expense	(8,459)	(6,716)	(2,035)
Foreign currency loss	(18,013)	(1,245)	(5,572)
Gain on acquisition/disposal of consolidated entity	634	61,775	62,682
Debt issuance costs	-	-	(16,380)
Settlement loss	-	-	(28,611)
Other income (expense), net	(2,647)	1,161	1,613
	$ (387,876)	$ 224,329	$ (59,709)

29. INCOME TAXES

Net loss before income taxes was generated as follows:

	Years ended March 31, 2021	Years ended March 31, 2020	Years ended March 31, 2019
Domestic - Canada	$ (1,611,210)	$ (1,167,000)	$ (670,508)
Foreign - outside of Canada	(72,751)	(342,054)	(37,405)
	$ (1,683,961)	$ (1,509,054)	$ (707,913)

The income tax recovery (expense) consists of the following:

	Years ended March 31, 2021	Years ended March 31, 2020	Years ended March 31, 2019
Current			
Domestic - Canada	$ (19,318)	$ (12,342)	$ (1,428)
Foreign - outside of Canada	(2,091)	(4,356)	(960)
	$ (21,409)	$ (16,698)	$ (2,388)
Deferred			
Domestic - Canada	$ 36,505	$ 78,624	$ (2,464)
Foreign - outside of Canada	(1,955)	59,688	740
	34,550	138,312	(1,724)
Income tax recovery (expense)	$ 13,141	$ 121,614	$ (4,112)

As more fully described in Note 3, income taxes that are required to be reflected in equity, instead of in the consolidated statements of operations, are included in the consolidated statements of shareholders' equity, if applicable.

Current and deferred income tax referred to above is recognized based on the Company's best estimate of the tax rates expected to apply to the income, loss or temporary difference. The Company is subject to income tax in numerous jurisdictions with varying tax rates. During the current year ended, there were no material changes to the enacted statutory tax rates in the jurisdictions where the majority of the Company's income for tax purposes was earned or where its material temporary differences or losses are expected to be realized or settled, however the impact of commercial decisions and market forces result in changes to the distribution of income for tax purposes amongst taxing jurisdictions that may result in a change of the effective tax rate applicable to such income, loss or temporary difference.

A reconciliation of the amount of income taxes reflected above compared to the expected income taxes calculated at the combined Canadian federal and provincial enacted statutory tax rate of 26.5% for each of the three years ended March 31, 2021, 2020 and 2019 is as follows:

	Years ended March 31, 2021	Years ended March 31, 2020	Years ended March 31, 2019
Net loss before income taxes	$ (1,683,961)	$ (1,509,054)	$ (707,913)
Expected tax rate	26.5%	26.5%	26.5%
Expected income tax recovery (expense)	446,250	399,899	187,597
Non-deductible and non-taxable items	81,883	22,947	(34,999)
Non-deductible fair value changes on Acreage Arrangement	(105,960)	(170,975)	-
Non-taxable fair value changes on warrant derivative liability	(77,663)	210,715	-
Non-deductible share-based compensation	(21,121)	(84,873)	(72,463)
Change in valuation allowance	(358,964)	(215,975)	(78,425)
Effect of tax rates outside of Canada	10,870	(3,248)	(4,060)
Non-taxable portion of capital gains and losses	38,705	(34,961)	-
Other	(859)	(1,915)	(1,762)
Income tax recovery (expense)	$ 13,141	$ 121,614	$ (4,112)

Current income taxes payable in the amount of $5,267 (March 31, 2020 – $14,690) is included in accounts payable and current income taxes receivable in the amount of $5,259 (March 31, 2020 – $nil) is included in other accounts receivable.

The Company continues to believe the amount of unrealized tax benefits appropriately reflects the uncertainty of items that are or may in the future be under discussion, audit, dispute or appeal with a tax authority or which otherwise result in uncertainty in the determination of income for tax purposes. If appropriate, an unrealized tax benefit will be realized in the year in which the Company determines that realization is not in doubt. Where the final determined outcome is different from the Company's estimate, such difference will impact the Company's income taxes in the year during which such determination is made.

Significant components of deferred income tax assets (liabilities) consist of the following:

	Years ended March 31, 2021	Years ended March 31, 2020
Deferred income tax assets		
Property, plant and equipment	$ 74,603	$ 47,497
Intangible assets	5,063	29,848
Inventory reserves and write-downs	39,893	27,815
Other reserves and accruals	7,957	6,556
Losses carried forward	608,002	300,332
Equity method investments and other financial assets	14,900	17,309
Deferred financing costs	3,587	8,049
Other	6,226	8,765
Gross deferred income tax assets	760,231	446,171
Valuation allowances	(677,847)	(318,883)
Total deferred income tax assets, net	$ 82,384	$ 127,288
Deferred income tax liabilities		
Property, plant and equipment	$ (25,864)	$ (38,556)
Intangible assets	(43,449)	(82,953)
Convertible senior notes	-	(41,141)
Equity method investments and other financial assets	(31,176)	(53)
Deferred financing costs	(2,785)	-
Other	(489)	(7,753)
Total deferred income tax liabilities	(103,763)	(170,456)
Net deferred income tax assets (liabilities)*	$ (21,379)	$ (43,168)

* A balance of deferred tax asset in the amount of $nil (March 31, 2020 – $3,945) is included in other assets and $(21,379) (March 31, 2020 – $(47,113)) is included in deferred income tax liabilities.

In evaluating whether it is more likely than not that all or a portion of a deferred income tax asset will be realized consideration is given to the estimated reversal of deferred income tax liabilities and future taxable income. The Company has recognized valuation allowances for operating losses carried forward, capital losses carried forward and other deferred income tax assets when it is believed that it is more likely than not that these items will not be realized.

As at March 31, 2021, the Company had temporary differences associated with investments in foreign subsidiaries for which no deferred income tax liabilities have been recognized, as the Company is able to control the timing of the reversal of these temporary differences and material undistributed earnings are considered permanently invested. Determination of the amount of the unrecognized deferred income tax liability is not practicable due to the inherent complexity of the multi-jurisdictional operations of the Company.

As at March 31, 2021 the Company has the following losses carried forward available to reduce future years' taxable income, which losses expire as follows:

Expiring within 5 years	$ -
Expiring between 5 and 10 years	541
Expiring between 10 and 15 years	73,917
Expiring between 15 and 20 years	1,621,740
Indefinite	245,331
	$ 1,941,529

Total in Canada	$ 1,688,793
Total in United States	133,359
Total in Europe	90,646
Total in other jurisdictions	28,731
	$ 1,941,529

Total operating losses	$ 1,941,529
Total capital losses (carried forward indefinitely)	705,241
	$ 2,646,770

30. ACQUISITIONS

(a) Year ended March 31, 2021

There were no acquisitions during the year ended March 31, 2021.

(b) Acquisitions completed in the year ended March 31, 2020

The following table summarizes the consolidated balance sheet impact at acquisition of the Company's business combinations that occurred in the year ended March 31, 2020:

	C³ (i)	This Works (ii)	BioSteel (iii)	BCT (iv)	Spectrum UK (iv)	Storz & Bickel 30(c)(v)	Total
Cash and cash equivalents	$ 2,818	$ 1,619	$ 225	$ 7,886	$ -	$ -	$ 12,548
Other current assets	15,140	8,239	12,972	2,296	67	-	38,714
Property, plant and equipment	8,345	478	391	5	895	-	10,114
Intangible assets							
Brands	10,613	22,114	3,600	-	-	-	36,327
Distribution channel	4,058	12,988	14,700	-	-	-	31,746
Operating licenses	-	-	-	-	1,158	-	1,158
Intellectual property	36,520	16,848	20,900	5,267	-	24,990	104,525
Software and domain names	8	176	541	-	-	-	725
Goodwill	287,010	22,214	35,939	85,700	12,861	(24,990)	418,734
Accounts payable and other accrued expenses and liabilities	(3,652)	(4,100)	(3,852)	(2,176)	(922)	-	(14,702)
Debt and other liabilities	(3,942)	-	(3,659)	-	-	-	(7,601)
Deferred income tax liabilities	(11,219)	(7,911)	(3,817)	(838)	(36)	-	(23,821)
Net assets	$ 345,699	$ 72,665	$ 77,940	$ 98,140	$ 14,023	$ -	$ 608,467
Noncontrolling interests	-	-	(18,733)	-	-	-	(18,733)
Net assets acquired	$ 345,699	$ 72,665	$ 59,207	$ 98,140	$ 14,023	$ -	$ 589,734
Consideration paid in cash	$ 345,699	$ 72,665	$ 47,924	$ 45,098	$ -	$ -	$ 511,386
Fair value of previously held equity interest	-	-	-	37,919	14,023	-	51,942
Replacement options	-	-	-	1,885	-	-	1,885
Other consideration	-	-	11,283	13,238	-	-	24,521
Total consideration	$ 345,699	$ 72,665	$ 59,207	$ 98,140	$ 14,023	$ -	$ 589,734
Consideration paid in cash	$ 345,699	$ 72,665	$ 47,924	$ 45,098	$ -	$ -	$ 511,386
Less: Cash and cash equivalents acquired	(2,818)	(1,619)	(225)	(7,886)	-	-	(12,548)
Net cash outflow	$ 342,881	$ 71,046	$ 47,699	$ 37,212	$ -	$ -	$ 498,838

The table above summarizes the fair value of the consideration given and the fair values assigned to the assets acquired and liabilities assumed for each acquisition. Goodwill arose in these acquisitions because the cost of acquisition included a control premium. In addition, the consideration paid for the combination reflected the benefit of expected revenue growth and future market development. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. Except for the goodwill arising in respect of the Storz & Bickel GmbH & Co., KG ("Storz & Bickel") acquisition, none of the goodwill arising on these acquisitions is expected to be deductible in the computation of income for tax purposes.

(i) C^3

On April 30, 2019, the Company acquired 100% of the shares of C^3 Cannabinoid Compound Company (“C^3”) for total cash consideration of $345,699. C^3 is a European based biopharmaceutical company that develops, manufactures and commercializes natural and synthetic cannabinoid based active ingredients. In connection with the acquisition, the Company entered into a five-year cooperation agreement with the former majority shareholder of C^3, for which the Company paid $7,804. This amount will be expensed ratably over the contract term.

In the year ended March 31, 2020, the Company finalized the purchase price allocation to the individual assets acquired and liabilities assumed using the acquisition method. The measurement period adjustments include:

Measurement period impact	Adjustments	Useful life (years)	Valuation methodology
Acquisition related intangible assets			
Distribution channel	$ 4,058	10	Income approach
Intellectual property	36,520	10	Relief-from-royalty
Licensed brands	10,613	2	Relief-from-royalty
Other adjustments			
Inventory step-up	1,814		
Deferred income tax liabilities	(11,219)		
Net impact to goodwill	**$ (41,786)**		

(ii) This Works

On May 21, 2019, the Company acquired 100% of the shares of TWP UK Holdings Limited (“This Works”) and its subsidiary companies, This Works Products Limited, TWP USA Inc. and TWP IP Limited for total cash consideration of $72,665 (GBP 43,296). Based in London, United Kingdom, This Works is a natural skincare and sleep solutions company.

In the year ended March 31, 2020, the Company finalized the purchase price allocation to the individual assets acquired and liabilities assumed using the acquisition method. The measurement period adjustments include:

Measurement period impact	Adjustments	Useful life (years)	Valuation methodology
Acquisition related intangible assets			
Acquired brands	$ 19,130	Indefinite	Relief-from-royalty
Distribution channel	12,988	10	Income approach using a multi-period excess earnings method
Intellectual property	16,848	10	Replacement cost
Licensed brands	2,984	5	Income approach using a multi-period excess earnings method
Other adjustments			
Inventory step-up	1,755		
Deferred income tax liabilities	(7,911)		
Net Impact to Goodwill	**$ (45,794)**		

(iii) BioSteel

On October 1, 2019, the Company purchased 72% of the outstanding shares of BioSteel, a North America-based producer of sports nutrition products. Initial cash consideration was $50,707 subject to certain adjustments and holdbacks such that $47,924 was advanced on closing. The purchase price was to be further adjusted based on a multiple of BioSteel’s calendar 2019 net revenue. Management has concluded that this purchase price adjustment is nominal.

Through its voting rights, the Company controls BioSteel and therefore, the acquisition was accounted for as a business combination. The noncontrolling interests of $18,733 recognized at acquisition date were recorded at their share of fair value.

Prior to September 30, 2019, the Company had advanced a total of $8,500 to BioSteel under a secured loan agreement. The acquisition resulted in an effective settlement of the loan payable of $8,500 which has been recorded as other consideration. Immediately following the October 1 acquisition, the Company subscribed for additional shares of BioSteel for consideration of $14,000 which was funded through a cash advance of $10,000 and the conversion of $4,000 of the loan payable. After completing this investment, the Company’s ownership interest in BioSteel is 76.7%.

The shares not purchased by the Company will be retained by certain current shareholders and management for a period of up to 5 years (the “Rollover Shareholders”). On the third anniversary of the closing Canopy Growth will have a right to purchase, and the

Rollover Shareholders will have a right to sell one half of the remaining interest held by the Rollover Shareholders to Canopy Growth at a specified valuation based on a multiple of Biosteel's net revenue. On the fifth anniversary of the closing Canopy Growth will have a right to purchase, and the Rollover Shareholders will have a right to sell the balance of the remaining interest held by the Rollover Shareholders to Canopy Growth at a valuation to be mutually agreed upon by the parties. The call and put options represent redeemable noncontrolling interest ("BioSteel Redeemable NCI") and is recorded at fair value on initial recognition. See Note 21 for a continuity of the BioSteel Redeemable NCI. See Note 26 for additional details on how the fair value is calculated.

In the year ended March 31, 2020, the Company finalized the purchase price allocation to the individual assets acquired and liabilities assumed using the acquisition method. The measurement period adjustments include:

Measurement period impact	Adjustments	Useful life (years)	Valuation methodology
Acquisition related intangible assets			
Acquired brands	$ 3,600	Indefinite	Relief-from-royalty
Distribution channel	14,700	11	Income approach using a multi-period excess earnings method
Intellectual property	20,900	11	Relief-from-royalty, net of product migration
Other adjustments			
Inventory step-up	2,710		
Deferred income tax liabilities	(3,817)		
Net impact to goodwill	**$ (38,093)**		

(iv) BCT and Spectrum UK

BCT is a cannabis research and development organization in the United Kingdom which was formed in fiscal 2018 through a collaboration agreement between CHI and Beckley Research and Innovations Limited. In the fourth quarter of fiscal 2019, the Company and BCT had formed another joint venture – Spectrum Biomedical UK ("Spectrum UK"). The purpose of Spectrum UK was to become the exclusive distributor of cannabis-based medicinal products made by the Company. Since their inception the Company had been accounting for its 42% interest in BCT and its 67% interest in Spectrum UK using the equity method. Though BCT and Spectrum UK are VIE's, due to the fact that both entities are jointly controlled, Canopy Growth is not the primary beneficiary of either entity and therefore is not required to consolidate either entity.

On October 11, 2019, the Company acquired all its unowned interest in BCT to increase its total ownership of BCT's issued and outstanding shares to 100%. Following this transaction, the Company will control both BCT and Spectrum UK, and both BCT and Spectrum UK will be accounted for as wholly owned subsidiaries.

Cash consideration for this transaction was $58,336 of which $45,098 was advanced on closing, $8,750 was repaid during October 2020, and $5,861 will be paid on October 1, 2021 and has a fair value of $5,746.

Consideration also included 155,565 replacement options. The fair value of the replacement options was determined using a Black-Scholes model and $1,885 of the total fair value has been included as consideration paid to acquire BCT as it related to pre-combination vesting service and $1,987 of the fair value will be recognized as share-based compensation expense rateably over the post-combination vesting period.

The acquisition of the unowned interests is accounted for as business combinations achieved in stages under ASC 805. The Company remeasured its 42% interest in BCT and its 67% interest in Spectrum UK to fair value and recognized a total gain of $39,485 which reflects the difference between the carrying value of $12,457 and the implied fair value $51,942. The fair value was estimated to be the transaction price less an estimated control premium of 5%.

The consideration paid for BCT included $250 cash and 16,430 replacement options that were issued to a member of key management of the Company that was a shareholder and option holder in BCT.

In the year ended March 31, 2020, the Company finalized the purchase price allocation to the individual assets acquired and liabilities assumed using the acquisition method. The measurement period adjustments include:

Measurement period impact	Adjustments	Useful life (years)	Valuation methodology
Acquisition related intangible assets			
Intellectual property	$ 5,267	1	Replacement cost
Operating license	1,158	1	Replacement cost
Other adjustments			
Deferred income tax liabilities	(874)		
Net impact to goodwill	**$ (5,551)**		

(c) Acquisitions completed in the year ended March 31, 2019

The following table summarizes the consolidated balance sheet impact at acquisition of the Company's business combinations that occurred in the year ended March 31, 2019:

	CHI (i)	Hiku (ii)	ebbu (iii)	POS (iv)	Storz & Bickel (v)	Other	Total
Cash and cash equivalents	$ 8,369	$ 4,089	$ -	$ 2,908	$ 1,056	$ (37)	$ 16,385
Other current assets	177	6,327	138	12,992	8,363	83	28,080
Property, plant and equipment	121	15,846	1,821	9,541	23,609	-	50,938
Investments	8,563	1,204	-	-	-	-	9,767
Intangible assets							
Brands	-	17,000	-	-	38,463	-	55,463
Distribution channel	-	-	-	-	3,143	-	3,143
Operating licenses	-	37,300	-	-	-	-	37,300
Intellectual property	20,000	-	51,600	23,300	58,816	-	153,716
Software and domain names	-	103	-	328	276	-	707
Goodwill	137,445	539,331	327,013	93,248	117,175	1,538	1,215,750
Accounts payable and other accrued expenses and liabilities	(954)	(3,691)	-	(4,172)	(4,490)	(16)	(13,323)
Debt and other liabilities	-	(1,954)	(665)	(3,145)	(28,247)	-	(34,011)
Deferred income tax liabilities	(4,806)	(14,598)	(13,731)	(6,042)	(23)	-	(39,200)
Net assets	168,915	600,957	366,176	128,958	218,141	1,568	1,484,715
Noncontrolling interests	-	-	-	-	-	-	-
Net assets acquired	$ 168,915	$ 600,957	$ 366,176	$ 128,958	$ 218,141	$ 1,568	$ 1,484,715
Consideration paid in cash	$ -	$ 11,994	$ 16,060	$ 128,958	$ 203,786	$ -	$ 360,798
Consideration paid in shares	98,034	543,866	234,052	-	-	1,568	877,520
Gain on fair value of previously held equity interest	62,682	-	-	-	-	-	62,682
Replacement options	8,199	13,537	-	-	-	-	21,736
Replacement warrants	-	30,611	-	-	-	-	30,611
Other consideration	-	949	-	-	-	-	949
Contingent consideration	-	-	116,064	-	14,355	-	130,419
Total consideration	$ 168,915	$ 600,957	$ 366,176	$ 128,958	$ 218,141	$ 1,568	$ 1,484,715
Consideration paid in cash	$ -	$ 11,994	$ 16,060	$ 128,958	$ 203,786	$ -	$ 360,798
Less: Cash and cash equivalents acquired	(8,369)	(4,089)	-	(2,908)	(1,056)	37	(16,385)
Net cash outflow	$ (8,369)	$ 7,905	$ 16,060	$ 126,050	$ 202,730	$ 37	$ 344,413

(i) CHI

CHI is a cannabis research innovator. On August 3, 2018, the Company acquired all its unowned interest in CHI to increase its total ownership to 100% of CHI's issued and outstanding shares. Immediately preceding the acquisition, CHI amalgamated with its wholly owned subsidiary, Canopy Animal Health ("CAH"), creating one amalgamated corporation which continued as CHI. In addition, the vesting of certain CHI and CAH options was accelerated and certain options were exercised. Following this transaction, the Company will control CHI and CHI will be accounted for as a wholly owned subsidiary. CHI shares and options were exchanged at a ratio of 0.379014 CHI shares to one Canopy Growth share or replacement option, resulting in 2,591,369 common shares, 568,005 replacement options and 485,572 common shares of which 217,859 are subject to certain trading restrictions ("Compensation Shares") being issued. This consideration included 278,230 shares and 154,208 replacement options that were issued to key management personnel of the Company that were shareholders and option holders in CHI.

The fair value of the shares issued totaled $98,034 which is comprised of $87,717 calculated as the 2,591,369 common shares issued at the Company's share price on the date of the transaction and $10,317 which reflects the fair value of the Compensation Shares issued, calculated using a Black-Scholes model.

The fair value of the replacement options was determined using a Black-Scholes model and the total fair value has been allocated to the consideration paid for CHI only to the extent that it related to pre-combination services. As a result, $8,199 of the total fair value has been included as consideration paid to acquire CHI as it related to pre-combination vesting service and $11,714 of the fair value will be recognized as share-based compensation expense rateably over the post-combination vesting period (see Note 23 for details on the share-based compensation expense).

Prior to this acquisition, the Company's 43% participating share was accounted for using the equity method. The acquisition of the 57% interest is accounted for as a business combination achieved in stages under ASC 805. The Company remeasured its 43% interest to fair value and recognized a gain of $62,682 which reflects the difference between the carrying value of $nil and the implied fair value $62,682. The fair value was estimated to be the transaction price less an estimated control premium of 5%.

The Company has finalized the purchase price allocation to the individual assets acquired and liabilities assumed using the acquisition method. The measurement period adjustments made were to recognize the acquired intellectual property ("IP") intangible asset with a fair value of $20,000 and a deferred income tax liability of $4,806. The fair value of the IP was estimated using a cost-based approach, where a rate of return has been applied to the amount that CHI had invested in research and development up to the date of acquisition. The IP will be amortized over the estimated useful life of 15 years.

(ii) Hiku

On September 5, 2018, the Company purchased 100% of the issued and outstanding shares of Hiku. Hiku is federally licensed to cultivate and sell cannabis through its wholly owned subsidiary DOJA Cannabis Ltd. Hiku also operates a network of retail stores selling coffee, clothing and curated accessories, across British Columbia, Alberta and Ontario. Hiku shares, options and warrants were exchanged at a ratio of 0.046 Hiku shares to one Canopy Growth share, replacement option, or warrant.

On the acquisition date Hiku had convertible debentures outstanding with a principal amount of $618 which were convertible into 498,387 Hiku common shares. As a result of the acquisition the conversion feature was adjusted in accordance with the above exchange ratio. The fair value of these debentures on September 5, 2018 was estimated to be $1,570 which was allocated $949 to the conversion feature and $621 to the debt component. On November 5, 2018 in accordance with the terms of the debenture the Company completed the forced conversion of the debenture in exchange for 22,866 shares.

Prior to closing the Company advanced cash of $10,000 to Hiku pursuant to a promissory note. The funds were used to pay the termination fee owed by Hiku in connection with a previously announced transaction.

On closing the Company issued 7,943,123 common shares with a fair value of $543,866, based on the Company's share price on the date of the transaction, cash consideration of $11,994, 920,452 replacement warrants and 291,629 replacement options. The fair value of the replacement warrants was estimated to be $30,611 using a Black-Scholes model. The replacement options' fair value totaled $17,693, calculated using a Black-Scholes model, of which $13,537 was included as consideration paid as it related to pre-combination services and the residual $4,156 fair value will be recognized as share-based compensation expense rateably over the post-combination vesting period. Other consideration also included $949 related to the convertible debenture and the effective settlement of the promissory note of $10,000.

The Company has finalized the purchase price allocation to the individual assets acquired and liabilities assumed using the acquisition method. The measurement period adjustments made were to recognize the acquired brand and operating license intangible assets with a fair value of $17,000 and $37,300, respectively, and a deferred income tax liability of $14,598. The fair value of the brand was estimated using a cost-based approach, where a rate of return has been applied to the amount that Hiku had invested in developing their Tokyo Smoke brand up to the date of acquisition. The fair value of the operating license was estimated using a market approach where recent transactions to purchase the same type of license were analyzed and applied to the licenses held by Hiku at the date of acquisition. Both the brand and operating licenses will not be amortized as the Company has concluded that both intangible assets have an indefinite useful life.

(iii) ebbu

On November 23, 2018 the Company acquired substantially all the assets and intellectual property of ebbu Inc. ("ebbu"), a Colorado-based hemp research operation in exchange for $25,000 cash and 6,221,210 common shares of which $7,462 cash and 899,424 common shares were held back for a period of 12 to 18 months in respect of certain representations and warranties of the seller. Up to a further $100,000 will be paid subject to the achievement of certain scientific related milestones within a period of two years of closing. The Company will have the option of satisfying these milestone payments in cash, shares or a combination of cash and shares, subject to the restriction that each payment must be comprised of at least 10% cash but the cash portion cannot exceed 19.9% of the payment. If such payments are satisfied in common shares, the number of common shares will be calculated based on the volume weighted average price of the common shares on the TSX for the 20 trading days immediately prior to the date of achievement of the milestone.

The assets transferred constitute a business and the transaction will be accounted for as a business combination. The consideration for this transaction is estimated to be $366,176. This includes cash and common shares transferred on closing with a value of $16,060 and $234,052 respectively and contingent consideration of $116,064. The contingent consideration includes $29,880 which is classified as equity and $86,184 which is classified as a liability. Management has estimated the fair value of the contingent consideration by assessing the probability of releasing the holdback amounts and probability and timing of achieving the milestones. The fair value of the equity classified contingent consideration is determined using a put option pricing model. The fair value of the liability classified contingent consideration is determined by discounting the expected cash outflows to present value. The fair value of acquisition consideration related liabilities at March 31, 2021 is $nil (March 31, 2020 is $79,936).

Management has determined that a portion of the consideration transferred is being provided in exchange for services and will be accounted for as compensation expense. The grant date fair value of this compensation has been estimated to be $8,416 which will be expensed rateably over the estimated vesting periods.

The Company has finalized the purchase price allocation to the individual assets acquired and liabilities assumed using the acquisition method. The measurement period adjustments made were to recognize the acquired intellectual property ("IP") intangible asset with a fair value of $51,600 and a deferred income tax liability of $13,731. The fair value of the IP was estimated using a market-based approach, where a valuation multiple was derived from a review of comparable companies' investment in IP. This multiple was then applied to ebbu's investment in research and development up to the date of the acquisition. The IP will be amortized over the estimated useful life of 15 years.

(iv) POS

On November 23, 2018 the Company entered into a debenture financing arrangement with POS Holdings Inc. ("POS"), now referred to as KeyLeaf, concurrent with the grant of an option to acquire 100% of the outstanding shares of POS. POS is a bio-processing facility located in Saskatchewan, Canada. POS was determined to be a VIE with Canopy Growth as the primary beneficiary and was therefore consolidated effective November 23, 2018.

On July 1, 2018, the Company had entered into an agreement whereby the Company was granted an option to acquire all the assets of POS in exchange for $6,000. The amount advanced for this option was to be applied against the purchase price of the assets of POS when the option was exercised and had been recorded as a deposit. In addition, the Company had entered into an agreement for processing services to be conducted by POS on behalf of the Company and had made advances of $13,864 under this agreement. Since processing under this agreement had not yet commenced, all the amounts advanced prior to November 23, 2018 had been recorded as a prepaid expense. The deposit and prepaid amounts form part of the consideration transferred. On November 23, 2018, the Company advanced $109,094 pursuant to a convertible debenture for total cash consideration of $128,958 to date.

The Company has finalized the purchase price allocation to the individual assets acquired and liabilities assumed using the acquisition method. The measurement period adjustments made were to recognize the acquired IP intangible asset with a fair value of $23,300 and a deferred income tax liability of $6,042. The fair value of the IP was estimated using an income approach which involved estimating future net cash flows and applying an appropriate discount rate to those future cash flows. The IP will be amortized over the estimated useful life of 15 years.

(v) Storz & Bickel

On December 6, 2018 the Company acquired Storz & Bickel, related entities, and IP for $203,786 cash. Based in Tuttlingen, Germany Storz & Bickel are designers and manufacturers of medically approved vaporizers.

Up to an additional €10,000 will be paid to the former shareholders of Storz & Bickel subject to the achievement of certain market launch milestones. This represents liability classified contingent consideration. Management has estimated the fair value of this consideration to be $14,355 by assessing the probability and timing of achievement of the milestones and discounting the expected cash outflows to present value. Other liabilities assumed include an amount of $21,447 owing to the former shareholders of Storz & Bickel.

During the year ended March 31, 2020, the Company completed its final assessment of the fair value of the assets acquired and liabilities assumed of Storz & Bickel. The measurement period adjustments resulted in an increase to the fair value of intangible assets of $24,990 and a corresponding decrease to goodwill (see Note 30(b)). On finalization of the purchase price allocation, a charge to amortization expense of $2,030 was recorded in the statement of consolidated operations to reflect the increased fair value of the amortizable intangible assets acquired.

Acquisition of noncontrolling shareholder's interest in BC Tweed

On October 10, 2017, the Company entered into a definitive joint venture agreement with a large-scale greenhouse operator (the "Partner") to form a new company, BC Tweed Joint Venture Inc. ("BC Tweed") ("Original Transaction"). BC Tweed was 66.67% owned by the Company and 33.33% owned by the Partner. As part of the Original Transaction, BC Tweed agreed to lease from the Partner a 1.3 million square feet greenhouse facility located on a 55-acre parcel of land in British Columbia ("Aldergrove Lease"). In December 2017, BC Tweed agreed to lease and develop a second greenhouse of 1.7 million square feet ("Delta Lease") from the Partner. The greenhouse operation transferred by the Partner met the definition of a business and was accounted for as a business combination. The Company concluded that, based on the shareholders' agreement and the contractual terms of the offtake agreement, the significant relevant activities are unilaterally controlled by the Company and BC Tweed was consolidated in these financial statements.

The Partner had the option to sell its interest in BC Tweed, in whole or in part, to the Company. This put option was exercisable only on specific dates following the license date – the 4th anniversary of the sales license date, then at the 6th, 8th, 10th and 12th anniversaries. The put option represents redeemable noncontrolling interest ("BC Tweed Redeemable NCI"). On October 10, 2017 the fair value of the BC Tweed Redeemable NCI was estimated to be $36,400 using a discounted cash flow approach by estimating the expected future cash flows and applying a discount rate to arrive at the present value of the put option's strike price. On March 31, 2018 the BC Tweed Redeemable NCI was estimated to be $56,300 and the increase of $19,900 was recorded in additional paid in capital.

As part of the Original Transaction, BC Tweed entered into call/put option agreements with the Partner to acquire all the limited partnership units of the limited partnerships which hold the greenhouses and related property. BC Tweed has the right to exercise the call options for a term of seven years from the respective license dates of the facilities. Since these options represent options to acquire the limited partnership units, the options were accounted for as derivative financial instruments which were recognized initially and subsequently at fair value through profit or loss. Management had estimated that the fair value of these options is $nil as the exercise price of the options approximates the fair value of the limited partnership units.

On July 5, 2018, the Company acquired the noncontrolling shareholder's (the "Partner's") 33% interest in BC Tweed (the "Subsequent Transaction") for total consideration of $495,386. Consideration included $1,000 in cash and 13,293,969 shares of the Company of which 5,091,523 shares were released on closing and the remaining 8,202,446 shares were placed in escrow. The shares placed in escrow will be released over a period of up to three years, with the exact timing of release dependent on the occurrence of specified events. As of March 31, 2019, 1,261,915 of the escrowed shares have been released.

The 5,091,523 shares issued on close were recorded at an issue price of $39.70 per share for consideration of $202,133. The fair value of the shares held in escrow was estimated to be $265,253 using a put option pricing model discounted to reflect management's best estimate of the expected dates of release. On closing of the Subsequent Transaction, the call option held by BC Tweed on the limited partnership units of the limited partnerships which hold the greenhouses and related property was amended to effectively increase the call option price by $27,000. Management has determined that this increase in the call option price represents additional consideration for the Partner's interest. On closing of the Subsequent Transaction the excess of the consideration paid for the Partner's 33% interest over the fair value of the BC Tweed Redeemable NCI on the transaction date of $72,600 was recognized as a $422,786 charge to Equity.

Under the Original Transaction, upon various milestones being achieved, the Company had agreed to issue 310,316 common shares over two tranches and a further $2,750 of common shares of the Company in two additional tranches to the Partner. These payments were accounted for as share-based compensation expense and the grant date fair value of $6,731 was being amortized over the estimated vesting period. On closing of the Subsequent Transaction, the Company amended the terms of this share-based compensation arrangement to accelerate the vesting of 155,158 shares, and to cancel the remaining tranches of the compensation arrangement. As a result, the unamortized balance of the grant date fair value of the share-based compensation of $954 was expensed in the year ended March 31, 2019.

On October 24, 2018 the Company amended the terms of the lease agreements for Aldergrove Lease and Delta Lease and the amended leases were classified as finance leases. The Company recognized the assets under finance lease and finance lease liability of $73,000. On March 31, 2019 the Company exercised the call options and acquired the limited partnership units of the limited partnerships that held greenhouse facilities under lease which resulted in the Company derecognizing the asset under finance lease, the finance lease liability and the contingent consideration and recognizing the greenhouse facilities and the ATB financing with a principal amount of $95,000.

31. ACREAGE ARRANGEMENT AND AMENDMENTS TO CBI INVESTOR RIGHTS AGREEMENT AND WARRANTS

Acreage Arrangement

On June 24, 2020, the Company and Acreage Holdings, Inc. ("Acreage") entered into a proposal agreement (the "Proposal Agreement") to amend the terms of the existing plan of arrangement (the "Original Acreage Arrangement") made pursuant to an arrangement agreement (the "Acreage Arrangement Agreement") between the Company and Acreage dated April 18, 2019, as amended on May 15, 2019. Pursuant to the terms of the Original Acreage Arrangement, shareholders of Acreage and holders of certain securities convertible into Acreage Existing SVS (as defined below) as of June 26, 2019, received an immediate aggregate total payment of US$300,000 ($395,190) in exchange for granting Canopy Growth both the right and the obligation (the "Acreage financial instrument") to acquire all of the issued and outstanding shares of Acreage following the occurrence or waiver of changes in U.S. federal law to permit the general cultivation, distribution, and possession of marijuana or to remove the regulation of such activities from the federal laws of the United States (the "Triggering Event") and subject to the satisfaction or waiver of the conditions set out in the Acreage Arrangement Agreement.

In September 2020, Acreage obtained the requisite approvals of the shareholders of Acreage and the Supreme Court of British Columbia and on September 23, 2020, the Company and Acreage entered into a second amendment to the Acreage Arrangement Agreement (the "Acreage Amending Agreement") and implemented an amended and restated plan of arrangement (the "Acreage Amended Arrangement"). The Acreage Amended Arrangement provides for, among other things, the following:

- A capital reorganization of Acreage (the "Capital Reorganization"), pursuant to which Acreage amended its Notice of Articles and Articles to, among other things, create the Fixed Shares (as defined below), the Floating Shares (as defined below) and the Fixed Multiple Shares (as defined below) and remove the existing Acreage subordinated voting shares (the "Existing SVS"), the existing Acreage proportionate voting shares (the "Existing PVS") and the existing Acreage multiple voting shares (the "Existing MVS"). Pursuant to the Capital Reorganization (i) each outstanding Existing SVS was exchanged for 0.7 of a Fixed Share and 0.3 of a Floating Share; (ii) each outstanding Existing PVS was exchanged for 28 Fixed Shares and 12 Floating Shares; and (iii) each outstanding Existing MVS was exchanged for 0.7 of a Fixed Multiple Share and 0.3 of a Floating Share;

- The new Class E subordinated voting shares (the "Fixed Shares") have the same attributes as the Existing SVS and are listed on the CSE under the ticker symbol ACRG.A.U. Following the occurrence or waiver (at the discretion of Canopy Growth) of the Triggering Event and subject to the satisfaction or waiver of the conditions set out in the Acreage Arrangement Agreement (as modified in connection with the Amended Arrangement), Canopy Growth will acquire all of the issued and outstanding Fixed Shares based on an amended exchange ratio equal to 0.3048 of a common share to be received for each Fixed Share held (reduced from 0.5818 per Existing SVS pursuant to the Original Acreage Arrangement). The foregoing exchange ratio for the Fixed Shares is subject to adjustment in accordance with the Amended Arrangement if, among other things, Acreage issues greater than the permitted number of Fixed Shares;

- The new Class D subordinated voting shares (the "Floating Shares") are listed on the CSE under the ticker symbol ACRG.B.U. Upon the occurrence or waiver (at the discretion of Canopy Growth) of the Triggering Event, Canopy Growth will have the right exercisable for a period of 30 days, to acquire all of the issued and outstanding Floating Shares for cash or common shares or a combination thereof, in Canopy Growth's sole discretion at a price equal to the 30-day volume weighted average trading price of the Floating Shares on the CSE, subject to a minimum call price of US$6.41 per Floating Share. The foregoing exchange ratio for the Floating Shares is subject to adjustment in accordance with the Acreage Amended Arrangement if Acreage issues greater than the permitted number of Floating Shares. The acquisition of the Floating Shares, if acquired, will take place concurrently with the closing of the acquisition of the Fixed Shares;

- The new Class F multiple voting shares (the "Fixed Multiple Shares") have the same attributes as the Existing MVS, provided that each Fixed Multiple Share entitles the holder thereof to 4,300 votes per share at shareholder meetings of Acreage. Immediately prior to the acquisition of the Fixed Shares, each issued and outstanding Fixed Multiple Share will automatically be exchanged for one Fixed Share and thereafter be acquired by Canopy Growth upon the same terms and conditions as the acquisition of the Fixed Shares;

- If the occurrence or waiver of the Triggering Event does not occur within 10 years from the date the Acreage Amended Arrangement was implemented (being September 23, 2030), Canopy Growth's rights to acquire both the Fixed Shares and the Floating Shares will terminate;

- Upon implementation of the Acreage Amended Arrangement, Canopy Growth made a cash payment to the shareholders of Acreage and holders of certain securities convertible into Existing SVS in the aggregate amount of US$37,500 ($49,849); and

- Acreage is only permitted to issue an aggregate of up to 32,700,000 Fixed Shares and Floating Shares.

At March 31, 2021, the Acreage financial instrument represents a financial liability of $600,000 (March 31, 2020 – $250,000), as the estimated fair value of the Acreage business is less than the estimated fair value of the consideration to be provided upon the exercise of the Acreage financial instrument. Fair value changes of $(399,849) were recognized in other income (expense), net in the year ended March 31, 2021 (year ended March 31, 2020 – $(645,190)) (see Note 28). The fair value determination includes a high degree of subjectivity and judgment, which results in significant estimation uncertainty. See Note 26 for additional details on how the fair value of the Acreage financial instrument is calculated on a recurring basis. From a measurement perspective, the Company has elected the fair value option under ASC 825.

In connection with the Acreage Amended Arrangement, on September 23, 2020, an affiliate of the Company advanced US$50,000 ($66,995) to Universal Hemp, LLC, a wholly-owned subsidiary of Acreage ("Acreage Hempco") pursuant to a secured debenture (the "Hempco Debenture"). In accordance with the terms of the Hempco Debenture, the funds cannot be used, directly or indirectly, in connection with or for any cannabis or cannabis-related operations in the United States, unless and until such operations comply with all applicable laws of the United States. The Hempco Debenture bears interest at a rate of 6.1% per annum, matures 10 years from the implementation of the Acreage Amended Arrangement (being September 23, 2030) or such earlier date in accordance with the terms of the Hempco Debenture, and all interest payments made pursuant to the Hempco Debenture are payable in cash by Acreage Hempco. The Hempco Debenture is not convertible and is not guaranteed by Acreage.

The amount advanced on September 23, 2020 pursuant to the Hempco Debenture has been recorded in other financial assets (see Note 14), and the Company has elected the fair value option under ASC 825 (see Note 26). At March 31, 2021, the estimated fair value of the Hempco Debenture issued to an affiliate of the Company by Acreage Hempco was $27,448, measured using a discounted cash flow model, and fair value changes and foreign currency translation adjustments totaling $(39,547) were recognized in other income (expense), net in the year ended March 31, 2021 (see Note 28). An additional US$50,000 may be advanced pursuant to the Hempco Debenture subject to the satisfaction of certain conditions by Acreage Hempco.

Amendment to the CBI Investor Rights Agreement and warrants

On April 18, 2019, certain wholly-owned subsidiaries of CBI and Canopy Growth entered into the a second amended and restated investor rights agreement (the "New Investor Rights Agreement") and a consent agreement (the "Consent Agreement"). In connection with these agreements, on June 27, 2019, Canopy Growth (i) extended the term of the Tranche A Warrants to November 1, 2023; and (ii) replaced the Original Tranche B Warrants with two new tranches of warrants (the "Tranche B Warrants" and the "Tranche C Warrants") as follows:

- the Tranche B Warrants are exercisable to acquire 38.5 million common shares at a price of C$76.68 per common share; and
- the Tranche C Warrants are exercisable to acquire 12.8 million common shares at a price equal to the 5-day volume-weighted average price of the common shares immediately prior to exercise.

In connection with the Tranche B Warrants and the Tranche C Warrants, Canopy Growth will provide CBI with a share repurchase credit of up to $1.583 billion on the aggregate exercise price of the Tranche B Warrants and Tranche C Warrants in the event that Canopy Growth does not purchase for cancellation the lesser of (i) 27,378,866 common shares; and (ii) common shares with a value of $1.583 billion, during the period commencing on April 18, 2019 and ending on the date that is 24 months after the date that CBI exercises all of the Tranche A Warrants. The share repurchase credit feature is accounted for as a derivative liability, with the fair value continuing to be $nil at March 31, 2021.

The modifications to the Tranche A Warrants resulted in them meeting the definition of a derivative instrument under ASC 815 - *Derivatives and Hedging* ("ASC 815"). They continue to be classified in equity as the number of shares and exercise price were both fixed at inception.

The Tranche B Warrants are accounted for as derivative instruments measured at fair value in accordance with ASC 815. At March 31, 2021, the fair value of the warrant derivative liability was $615,575 (March 31, 2020 – $322,491), and fair value changes of $(293,084) have been recognized in other income (expense), net in the year ended March 31, 2021 (year ended March 31, 2020 – gain of $795,149) (see Note 28). The fair value determination includes a high degree of subjectivity and judgment, which results in significant estimation uncertainty. See Note 26 for additional details on how the fair value of the warrant derivative liability is calculated on a recurring basis.

The Tranche C Warrants are accounted for as derivative instruments, with the fair value continuing to be $nil at March 31, 2021.

32. LEASES

The Company primarily leases office and production facilities, warehouses, production equipment and vehicles. The Company assesses service arrangements to determine if an asset is explicitly or implicitly specified in the agreement and if we have the right to control the use of the identified asset.

The right-of-use asset is initially measured at cost, which is primarily comprised of the initial amount of the lease liability, plus initial direct costs and lease payments at or before the lease commencement date, less any lease incentives received, and is amortized on a straight-line basis over the remaining lease term. All right-of-use assets are reviewed periodically for impairment. The lease liability is initially measured at the present value of lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. We elected to recognize expenses for leases with a term of 12 months or less on a straight-line basis over the lease term and not to recognize these short-term leases on the balance sheet. Leases have varying terms with remaining lease terms of up to approximately 30 years. Certain of our lease arrangements provide us with the option to extend or to terminate the lease early.

Lease payments included in the measurement of the lease liability comprise (a) fixed payments, including in-substance fixed payments; (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; (c) amounts expected to be payable under a residual value guarantee; and (d) the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

At inception or reassessment of a contract that contains lease and non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Balance sheet location

A summary of lease right-of-use assets and liabilities are as follows:

	March 31, 2021	March 31, 2020
Property, plant and equipment		
Operating lease	$ 47,522	$ 73,435
Finance lease	39,427	85,784
	$ 86,949	$ 159,219
Other current liabilities:		
Operating lease	$ 11,491	$ 15,050
Finance lease	30,570	25,306
Other long-term liabilities:		
Operating lease	62,285	68,409
Finance lease	31,879	51,638
	$ 136,225	$ 160,403

Lease expense

The components of total lease expense are as follows:

	Years ended	
	March 31, 2021	March 31, 2020
Operating lease expense	$ 10,846	$ 10,340
Finance lease expense:		
Amortization of right-of-use assets	2,303	1,494
Interest on lease liabilities	1,674	1,163
	$ 14,823	$ 12,997

Lease maturities

As of March 31, 2021, the minimum payments due for lease liabilities for each of the five succeeding fiscal years and thereafter are as follows:

	Operating Leases	Finance Leases
2022	$ 13,312	$ 11,940
2023	12,314	8,023
2024	10,568	8,116
2025	9,970	8,200
2026	8,833	38,476
Thereafter	26,163	9,604
Total lease payments	$ 81,160	$ 84,359
Less: Interest	7,384	21,910
Total lease liabilities	$ 73,776	$ 62,449

As of March 31, 2021, we have additional operating leases that have not yet commenced with immaterial aggregated minimum payments on an undiscounted basis.

As of March 31, 2021, future lease expense for operating leases is expected to be as follows:

2022	$ 11,925
2023	10,911
2024	9,047
2025	8,308
2026	7,214
Thereafter	20,562
	$ 67,967

Supplemental information

	Years ended	
	March 31, 2021	March 31, 2020
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 18,792	$ 18,715
Operating cash flows from finance leases	1,674	1,163
Financing cash flows from finance leases	2,303	1,425
Right-of-use assets obtained in exchange for new lease liabilities:		
Operating leases	$ 13,592	$ 20,734
Finance leases	1,428	58,443

	March 31, 2021	March 31, 2020
Weighted-average remaining lease term:		
Operating leases	7	7
Finance leases	4	4
Weighted-average discount rate		
Operating leases	4.50%	4.50%
Finance leases	4.50%	4.50%

33. RELATED PARTY

Year ended March 31, 2021

On February 23, 2021, the Company completed the RIV Arrangement with RIV Capital and RCC. Refer to Note 6 for a description of the RIV Arrangement.

In connection with the Proposal Agreement entered into by the Company and Acreage on June 24, 2020 to amend the terms of the Original Acreage Arrangement, the Company entered into the Second Consent Agreement with CBI and its affiliates.

Year ended March 31, 2020

In connection with the Acreage Arrangement Agreement, the Company entered into several agreements with CBI and its affiliates, including the New Investor Rights Agreement, the Consent Agreement and amendments to the Original Tranche B Warrants. See Note 31 for further information.

Year ended March 31, 2019

On November 16, 2018, the Company acquired two previously leased facilities from a company controlled by a former director of the Company for cash proceeds of $31,281, including $1,454 to repay the loan to the director's company. The director resigned from the Company's Board on November 1, 2018 following the previously discussed investment by CBI. The basis for the consideration paid was supported by independent appraisals of the properties. The Toronto facility leases had original expiration dates on October 15, 2018 and August 31, 2024 and the Edmonton facility lease was to expire on July 31, 2037. One of the Toronto facilities and the Edmonton facility were purchased on November 16, 2018. Included in the expenses for the year ended March 31, 2019 for rent and operating costs was $1,259.

The Company has entered into cannabis offtake agreements with certain of its equity method investees (Note 13) and entities in which it holds equity or other financial instruments (Note 14). These agreements are in the normal course of operations and will be measured at the exchange amounts agreed to by the parties.

34. COMMITMENTS

The Company has entered into agreements in which it has committed to purchase a minimum amount of inventory, pay a minimum amount of royalty expenses, incur expenditures for property, plant and equipment and procure various other goods or services. The following summarizes the Company's annual minimum commitments associated with its contractual agreements as of March 31, 2021. This amount excludes the Company's debt and lease related commitments which are disclosed elsewhere in Notes 19 and 32, respectively in these consolidated financial statements.

2022	$	99,845
2023		45,900
2024		51,687
2025		10,306
2026		6,036
Thereafter		-
	$	213,774

35. SEGMENTED INFORMATION

Reportable segments

Prior to the fourth quarter of the year ended March 31, 2021, the Company had the following two operating segments, which were also its reportable segments: (i) cannabis, hemp and other consumer products; and (ii) RIV Capital. Following the completion of the RIV Arrangement in February 2021 (refer to Note 6) and the completion of restructuring actions in the third and fourth quarters of the year ended March 31, 2021 associated with the end-to-end review of the Company's operations (refer to Note 5), the Company has changed the structure of its internal management financial reporting. Accordingly, in the fourth quarter of the year ended March 31, 2021, the Company is reporting its financial results for the following two operating segments, which are also its reportable segments: (i) global cannabis; and (ii) other consumer products. These segments reflect how the Company's operations are managed, how the Company's Chief Executive Officer, who is the chief operating decision maker ("CODM"), allocates resources and evaluates performance, and how the Company's internal management financial reporting is structured.

The Company's global cannabis segment encompasses the production, distribution and sale of a diverse range of cannabis and cannabinoid-based consumer products in Canada and internationally pursuant to applicable international and domestic legislation, regulations and permits. The Company's other consumer products segment comprises the production, distribution and sale of consumer products, including (i) Storz & Bickel vaporizers; (ii) This Works beauty, skincare, wellness and sleep products; (iii) BioSteel sports nutrition beverages, mixes, protein, gum and mints; and (iv) other revenue sources. The Company's CODM evaluates the performance of these two segments focusing on (i) segment net revenue, and (ii) segment gross margin and gross margin percentage as the measure of segment profit or loss. Accordingly, information regarding segment net revenue and segment gross margin for the comparative periods has been recast to reflect the aforementioned change in reportable segments.

The accounting policies of each segment are the same as those disclosed in the summary of significant accounting policies in Note 3.

	Years ended March 31, 2021	Years ended March 31, 2020	Years ended March 31, 2019
Segmented net revenue			
Global cannabis	$ 378,680	$ 294,935	$ 192,444
Other consumer products	167,969	103,837	33,897
	$ 546,649	$ 398,772	$ 226,341
Segmented gross margin:			
Global cannabis	$ 7,045	$ (76,836)	$ 16,487
Other consumer products	59,915	45,152	11,758
	66,960	(31,684)	28,245
Selling, general and administrative expenses	575,389	693,737	392,250
Share-based compensation	91,149	320,276	273,447
Expected credit losses on financial assets and relates charges	109,480	-	-
Asset impairment and restructuring costs	534,398	623,266	-
Operating Loss	(1,243,456)	(1,668,963)	(637,452)
Loss from equity method investments	(52,629)	(64,420)	(10,752)
Other income (expense), net	(387,876)	224,329	(59,709)
Loss before incomes taxes	$ (1,683,961)	$ (1,509,054)	$ (707,913)

Asset information by segment is not provided to, or reviewed by, the Company's CODM as it is not used to make strategic decisions, allocate resources, or assess performance.

Entity-wide disclosures

Disaggregation of net revenue by geographic area:

	Years ended March 31, 2021	Years ended March 31, 2020	Years ended March 31, 2019
Canada	$ 329,172	$ 256,166	$ 198,476
Germany	116,379	93,945	17,894
United States	64,926	24,568	9,965
Other	36,172	24,093	6
	$ 546,649	$ 398,772	$ 226,341

Disaggregation of long-lived tangible assets by geographic area:

	March 31, 2021	March 31, 2020
Canada	$ 847,678	$ 1,289,838
United States	143,747	105,660
Other	83,112	129,305
	$ 1,074,537	$ 1,524,803

For the year ended March 31, 2021, no customer represented more than 10% of the Company's net revenue (years ended March 31, 2020 and 2019, one and two, respectively).

36. SUBSEQUENT EVENTS

Acquisition of Ace Valley

On April 1, 2021, the Company entered into a share purchase agreement (the "AV Share Purchase Agreement") with Tweed Inc., AV Cannabis Inc. ("Ace Valley"), an Ontario-based cannabis brand with a focus on premium, ready-to-enjoy products including vapes, pre-roll joints and gummies, and the shareholders of Ace Valley (the "AV Vendors") pursuant to which the Company indirectly acquired all of the issued and outstanding shares of Ace Valley. Pursuant to the terms of the AV Share Purchase Agreement, the Company may be required to make certain earn-out payments to the AV Vendors, which may result in an additional cash payment or the issuance of Canopy Growth common shares, subject to the fulfillment of certain conditions by April 1, 2023.

Acquisition of Supreme Cannabis

On April 7, 2021, the Company entered into an arrangement agreement (the "Supreme Arrangement Agreement") with The Supreme Cannabis Company, Inc. ("Supreme Cannabis"), pursuant to which the Company has agreed to acquire all of the issued and outstanding common shares in the capital of Supreme Cannabis (the "Supreme Cannabis Shares") in accordance with a plan of arrangement under the *Canada Business Corporations Act* (the "Supreme Arrangement"). Supreme Cannabis is a producer of recreational, wholesale and medical cannabis products, with a global diversified portfolio of distinct cannabis companies, products and brands. Pursuant to the terms of the Supreme Arrangement Agreement, shareholders of Supreme Cannabis will be entitled to receive 0.01165872 of a Canopy Growth common share and C$0.0001 in cash for each Supreme Cannabis Share held immediately prior to closing of the Supreme Arrangement.

The Supreme Arrangement is subject to the conditions set out in the Supreme Arrangement Agreement, including, among others: (i) approval by the Ontario Superior Court of Justice at a hearing upon the procedural and substantive fairness of the terms and conditions of the Supreme Arrangement; (ii) approval under the *Competition Act* (Canada); and (iii) approval of at least two-thirds of the votes cast by the shareholders of Supreme Cannabis voting at a special meeting of shareholders, with such meeting scheduled to be held on June 10, 2021.

37. SELECTED QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

A summary of selected quarterly financial information is as follows:

	QUARTER ENDED				
	June 30, 2020	**September 30, 2020**	**December 31, 2020**	**March 31, 2021**	**Full year**
Net revenue	$ 110,416	$ 135,266	$ 152,528	$ 148,439	$ 546,649
Gross margin	$ 6,495	$ 26,080	$ 24,585	$ 9,800	$ 66,960
Net loss	$ (128,322)	$ (96,552)	$ (829,251)	$ (616,695)	$ (1,670,820)
Net loss attributable to Canopy Growth Corporation	$ (108,501)	$ (32,061)	$ (904,380)	$ (699,978)	$ (1,744,920)
Net loss per common share attributable to Canopy Growth Corporation:					
Basic and diluted loss per share	$ (0.30)	$ (0.09)	$ (2.43)	$ (1.85)	$ (4.69)

	QUARTER ENDED				
	June 30, 2019	**September 30, 2019**	**December 31, 2019**	**March 31, 2020**	**Full year**
Net revenue	$ 90,482	$ 76,613	$ 123,764	$ 107,913	$ 398,772
Gross margin	$ 18,290	$ 3,643	$ 38,208	$ (91,825)	$ (31,684)
Net (loss) income	$ (194,051)	$ 242,650	$ (109,634)	$ (1,326,405)	$ (1,387,440)
Net (loss) income attributable to Canopy Growth Corporation	$ (185,869)	$ 258,918	$ (91,354)	$ (1,303,021)	$ (1,321,326)
Net (loss) income per common share attributable to Canopy Growth Corporation:					
Basic (loss) earnings per share	$ (0.54)	$ 0.75	$ (0.26)	$ (3.72)	$ (3.80)
Diluted (loss) earnings per share	$ (0.54)	$ 0.25	$ (0.26)	$ (3.72)	$ (3.80)