CANOPY GROWTH CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021
(IN CANADIAN DOLLARS)

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	December 31, 2021	March 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 615,146	$ 1,154,653
Short-term investments	807,884	1,144,563
Restricted short-term investments	12,208	11,332
Amounts receivable, net	100,901	92,435
Inventory	365,750	367,979
Prepaid expenses and other assets	86,267	67,232
Total current assets	1,988,156	2,838,194
Other financial assets	898,497	708,167
Property, plant and equipment	1,080,179	1,074,537
Intangible assets	338,753	308,167
Goodwill	1,988,250	1,889,354
Other assets	15,195	5,061
Total assets	$ 6,309,030	$ 6,823,480
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 67,837	$ 67,262
Other accrued expenses and liabilities	76,007	100,813
Current portion of long-term debt	15,702	9,827
Other liabilities	79,700	106,428
Total current liabilities	239,246	284,330
Long-term debt	1,494,665	1,573,136
Deferred income tax liabilities	27,366	21,379
Liability arising from Acreage Arrangement	103,000	600,000
Warrant derivative liability	37,491	615,575
Other liabilities	195,618	107,240
Total liabilities	2,097,386	3,201,660
Commitments and contingencies		
Redeemable noncontrolling interest	68,700	135,300
Canopy Growth Corporation shareholders' equity:		
Common shares - $nil par value; Authorized - unlimited number of shares; Issued - 394,157,998 shares and 382,875,179 shares, respectively	7,478,834	7,168,557
Additional paid-in capital	2,482,372	2,415,650
Accumulated other comprehensive loss	(26,727)	(34,240)
Deficit	(5,795,721)	(6,068,156)
Total Canopy Growth Corporation shareholders' equity	4,138,758	3,481,811
Noncontrolling interests	4,186	4,709
Total shareholders' equity	4,142,944	3,486,520
Total liabilities and shareholders' equity	$ 6,309,030	$ 6,823,480

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

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

	Three months ended December 31,		Nine months ended December 31,	
	2021	2020	2021	2020
Revenue	$ 155,024	$ 169,907	$ 456,095	$ 439,823
Excise taxes	14,052	17,379	47,540	41,613
Net revenue	140,972	152,528	408,555	398,210
Cost of goods sold	130,882	127,943	442,367	341,050
Gross margin	10,090	24,585	(33,812)	57,160
Operating expenses				
Selling, general and administrative expenses	116,835	144,078	355,165	426,723
Share-based compensation	6,777	19,963	35,856	72,632
Expected credit losses on financial assets and related charges	-	13,735	-	108,480
Asset impairment and restructuring costs	36,439	400,422	128,198	459,579
Total operating expenses	160,051	578,198	519,219	1,067,414
Operating loss	(149,961)	(553,613)	(553,031)	(1,010,254)
Loss from equity method investments	-	(671)	(100)	(40,851)
Other income (expense), net	34,282	(290,567)	810,769	(21,106)
(Loss) income before income taxes	(115,679)	(844,851)	257,638	(1,072,211)
Income tax recovery	183	15,600	490	18,086
Net (loss) income	(115,496)	(829,251)	258,128	(1,054,125)
Net (loss) income attributable to noncontrolling interests and redeemable noncontrolling interest	(6,571)	75,129	(14,307)	(9,183)
Net (loss) income attributable to Canopy Growth Corporation	$ (108,925)	$ (904,380)	$ 272,435	$ (1,044,942)
Basic (loss) earnings per share	$ (0.28)	$ (2.43)	$ 0.70	$ (2.83)
Basic weighted average common shares outstanding	393,818,282	372,908,767	390,423,083	369,418,037
Diluted (loss) earnings per share	$ (0.28)	$ (2.43)	$ 0.43	$ (2.83)
Diluted weighted average common shares outstanding	393,818,282	372,908,767	410,986,802	369,418,037
Comprehensive income (loss):				
Net (loss) income	$ (115,496)	$ (829,251)	$ 258,128	$ (1,054,125)
Other comprehensive income (loss), net of income tax effect				
Fair value changes of own credit risk of financial liabilities	16,200	(30,090)	26,280	(82,560)
Foreign currency translation	(15,479)	(45,809)	(18,767)	(110,932)
Total other comprehensive income (loss), net of income tax effect	721	(75,899)	7,513	(193,492)
Comprehensive income (loss)	(114,775)	(905,150)	265,641	(1,247,617)
Comprehensive income (loss) attributable to noncontrolling interests and redeemable noncontrolling interest	(6,571)	75,129	(14,307)	(9,183)
Comprehensive income (loss) attributable to Canopy Growth Corporation	$ (108,204)	$ (980,279)	$ 279,948	$ (1,238,434)

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

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

		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, 2021	$ 7,168,557	$ 480,786	$ 2,568,438	$ (512,340)	$ (121,234)	$ (34,240)	$ (6,068,156)	$ 4,709	$ 3,486,520
Other issuances of common shares and warrants	296,574	(30,126)	-	-	-	-	-	-	266,448
Replacement equity instruments from the acquisition of Supreme Cannabis	-	5,566	13,350	-	-	-	-	-	18,916
Exercise of Omnibus Plan stock options	8,690	(3,235)	-	-	-	-	-	-	5,455
Share-based compensation	-	35,172	-	-	-	-	-	-	35,172
Issuance and vesting of restricted share units	5,013	(5,013)	-	-	-	-	-	-	-
Changes in redeemable noncontrolling interest	-	-	-	-	53,500	-	-	13,100	66,600
Ownership changes relating to noncontrolling interests	-	-	-	-	-	-	-	684	684
Redemption of redeemable noncontrolling interest	-	-	-	2,617	(5,109)	-	-	-	(2,492)
Comprehensive income (loss)	-	-	-	-	-	7,513	272,435	(14,307)	265,641
Balance at December 31, 2021	$ 7,478,834	$ 483,150	$ 2,581,788	$ (509,723)	$ (72,843)	$ (26,727)	$ (5,795,721)	$ 4,186	$ 4,142,944

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

	Common shares	Additional paid-in capital: Share-based reserve	Additional paid-in capital: Warrants	Additional paid-in capital: Ownership changes	Additional paid-in capital: Redeemable noncontrolling interest	Accumulated 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	35,666	(27,721)	-	-	-	-	-	-	7,945
Exercise of warrants	315,256	-	(70,266)	-	-	-	-	-	244,990
Exercise of Omnibus Plan stock options	61,167	(23,168)	-	-	-	-	-	-	37,999
Share-based compensation	-	69,243	-	-	-	-	-	-	69,243
Issuance and vesting of restricted share units	2,092	(2,092)	-	-	-	-	-	-	-
Changes in redeemable noncontrolling interest	-	-	-	-	(51,230)	-	-	9,880	(41,350)
Ownership changes relating to noncontrolling interests	-	-	-	(243)	-	-	-	5,335	5,092
Comprehensive income (loss)	-	-	-	-	-	(193,492)	(1,044,942)	(9,183)	(1,247,617)
Balance at December 31, 2020	$ 6,787,725	$ 534,003	$ 2,568,685	$ (501,646)	$ (91,364)	$ 27,407	$ (5,368,178)	$ 227,790	$ 4,184,422

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

CANOPY GROWTH CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of Canadian dollars, unaudited)

	Nine months ended December 31, 2021	Nine months ended December 31, 2020
Cash flows from operating activities:		
Net income (loss)	$ 258,128	$ (1,054,125)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation of property, plant and equipment	56,467	54,625
Amortization of intangible assets	27,462	43,565
Share of loss on equity method investments	100	40,851
Share-based compensation	35,856	72,632
Asset impairment and restructuring costs	113,250	422,610
Expected credit losses on financial assets and related charges	-	108,480
Income tax recovery	(490)	(18,086)
Non-cash fair value adjustments	(893,024)	26,060
Change in operating assets and liabilities, net of effects from purchases of businesses:		
Amounts receivable	4,083	(12,507)
Prepaid expenses and other assets	6,702	(4,353)
Inventory	28,818	(2,937)
Accounts payable and accrued liabilities	(30,764)	13,094
Other, including non-cash foreign currency	(25,713)	(57,808)
Net cash used in operating activities	(419,125)	(367,899)
Cash flows from investing activities:		
Purchases of and deposits on property, plant and equipment	(36,620)	(137,977)
Purchases of intangible assets	(4,564)	(7,238)
Proceeds on sale of property, plant and equipment	25,660	30,921
Proceeds on sale of intangible assets	-	18,337
(Purchases) redemption of short-term investments	340,218	(83,612)
Net cash proceeds on sale of subsidiaries	10,324	-
Sale of equity method investments	-	7,000
Investment in other financial assets	(374,414)	(34,236)
Investment in Acreage Arrangement	-	(49,849)
Loan advanced to Acreage Hempco	-	(66,995)
Net cash outflow on acquisition of subsidiaries	(14,947)	-
Other investing activities	(16,759)	(5,269)
Net cash used in investing activities	(71,102)	(328,918)
Cash flows from financing activities:		
Proceeds from issuance of common shares and warrants	1,460	-
Proceeds from exercise of stock options	5,455	37,999
Proceeds from exercise of warrants	-	244,990
Repayment of long-term debt	(50,217)	(13,271)
Other financing activities	(3,036)	(578)
Net cash (used in) provided by financing activities	(46,338)	269,140
Effect of exchange rate changes on cash and cash equivalents	(2,942)	(50,539)
Net decrease in cash and cash equivalents	(539,507)	(478,216)
Cash and cash equivalents, beginning of period	1,154,653	1,303,176
Cash and cash equivalents, end of period	$ 615,146	$ 824,960

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

CANOPY GROWTH CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of Canadian dollars, unaudited)

	Nine months ended December 31,	
	2021	2020
Supplemental disclosure of cash flow information		
Cash received during the period:		
Income taxes	$ 993	$ 4,176
Interest	$ 10,844	$ 19,078
Cash paid during the period:		
Income taxes	$ 2,641	$ 20,376
Interest	$ 83,968	$ 12,886
Noncash investing and financing activities		
Additions to property, plant and equipment	$ (5,145)	$ 16,220

The accompanying notes are an integral part of these condensed interim 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 herein 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 cannabis and/or hemp is federally lawful, permissible and regulated, 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.

2. BASIS OF PRESENTATION

These condensed interim 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 condensed interim 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.

Certain information and footnote disclosures normally included in the audited annual consolidated financial statements prepared in accordance with U.S. GAAP have been omitted or condensed. These condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended March 31, 2021 (the "Annual Report") and have been prepared on a basis consistent with the accounting policies as described in the Annual Report.

These condensed interim consolidated financial statements are unaudited and reflect adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary to provide a fair statement of results for the interim periods in accordance with U.S. GAAP.

The results reported in these condensed interim consolidated financial statements should not be regarded as necessarily indicative of results that may be expected for an entire fiscal year. The policies set out below are consistently applied to all periods presented, unless otherwise noted.

Principles of consolidation

The accompanying condensed interim 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. Information on the Company's subsidiaries with noncontrolling interests is included in Note 20.

Use of estimates

The preparation of these condensed interim 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.

New accounting policies

Recently Adopted Accounting Pronouncements

Income Taxes

In December 2019, the Financial Accounting Standards Board ("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. The Company adopted ASU 2019-12 as of April 1, 2021. There was no material impact of adopting ASU 2019-12 on the condensed interim consolidated financial statements.

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 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 Company adopted ASU 2020-01 as of April 1, 2021. There was no impact of adopting ASU 2020-01 on the condensed interim consolidated financial statements.

Accounting Guidance not yet adopted

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.

3. ASSET IMPAIRMENT AND RESTRUCTURING COSTS

In the three months ended June 30, 2021, the Company recorded charges related to operational changes resulting from the continuing strategic review of its business as a result of recent acquisition activities, which resulted in the closure of its Niagara-on-the-Lake, Ontario and Langley, British Columbia facilities. Additionally, the Company recognized costs associated with the closure of previously-identified Canadian production facilities in December 2020.

In the three months ended September 30, 2021, the Company recognized incremental costs associated with the closure of certain of its Canadian production facilities in December 2020.

In the three months ended December 31, 2021, the Company recorded charges primarily associated with adjustments related to changes in the estimated fair value of certain of the Company's Canadian sites that were closed in December 2020.

As a result, in the three and nine months ended December 31, 2021, the Company recognized asset impairment and restructuring costs of \$36,439 and \$128,198, respectively, primarily representing the difference between the net book value of the associated long-lived assets and their estimated fair value.

4. CASH AND CASH EQUIVALENTS

The components of cash and cash equivalents are as follows:

	December 31, 2021	March 31, 2021
Cash	$ 421,675	$ 436,588
Cash equivalents	193,471	718,065
	$ 615,146	$ 1,154,653

5. SHORT-TERM INVESTMENTS

The components of short-term investments are as follows:

	December 31, 2021	March 31, 2021
Term deposits	$ 354,745	$ 463,824
Asset-backed securities	63,197	16,342
Government securities	21,026	136,620
Commercial paper and other	368,916	527,777
	$ 807,884	$ 1,144,563

The amortized cost of short-term investments at December 31, 2021 is $809,722 (March 31, 2021 – $1,145,364).

6. AMOUNTS RECEIVABLE, NET

The components of amounts receivable, net are as follows:

	December 31, 2021	March 31, 2021
Accounts receivable, net	$ 82,554	$ 67,106
Indirect taxes receivable	6,553	8,281
Interest receivable	5,372	5,140
Other receivables	6,422	11,908
	$ 100,901	$ 92,435

Included in the accounts receivable, net balance at December 31, 2021 is an allowance for doubtful accounts of $2,037 (March 31, 2021 – $1,411).

7. INVENTORY

The components of inventory are as follows:

	December 31, 2021	March 31, 2021
Raw materials, packaging supplies and consumables	$ 55,741	$ 55,554
Work in progress	166,425	223,652
Finished goods	143,584	88,773
	$ 365,750	$ 367,979

In the three and nine months ended December 31, 2021, the Company recorded write-downs related to inventory in cost of goods sold of $11,811 and $104,662 (three and nine months ended December 31, 2020 – $23,836 and $48,167).

8. PREPAID EXPENSES AND OTHER ASSETS

The components of prepaid expenses and other assets are as follows:

	December 31, 2021	March 31, 2021
Prepaid expenses	$ 31,292	$ 28,349
Deposits	19,200	18,316
Prepaid inventory	1,244	1,496
Other assets	34,531	19,071
	$ 86,267	$ 67,232

9. OTHER FINANCIAL ASSETS

The following table outlines changes in other financial assets. Additional details on how the fair value of significant investments is calculated are included in Note 21.

Entity	Instrument	Balance at March 31, 2021	Additions	Fair value changes	Foreign currency translation adjustments	Interest income	Exercise of options / disposal of shares	Balance at December 31, 2021
TerrAscend Exchangeable Shares	Exchangeable shares	$ 385,000	$ -	$ (166,000)	$ -	$ -	$ -	$ 219,000
TerrAscend Canada - October 2019	Term loan / debenture	10,240	-	750	-	-	-	10,990
TerrAscend Canada - March 2020	Term loan / debenture	56,330	-	550	-	-	-	56,880
Arise Bioscience	Term loan / debenture	13,077	-	921	105	-	-	14,103
TerrAscend - October 2019	Warrants	17,250	-	(10,770)	-	-	-	6,480
TerrAscend - March 2020	Warrants	152,910	-	(73,830)	-	-	-	79,080
TerrAscend - December 2020	Warrants	13,240	-	(6,920)	-	-	-	6,320
TerrAscend	Option	10,600	-	(4,600)	-	-	-	6,000
Wana	Option	-	442,227	-	9,472	-	-	451,699
Acreage Hempco[1]	Debenture	27,448	-	4,023	197	(3,867)	-	27,801
Other - at fair value through net income (loss)	Various	14,887	6,457	(8,070)	(138)	-	(92)	13,044
Other - classified as held for investment	Loan receivable	7,185	-	-	-	-	(85)	7,100
		$ 708,167	$ 448,684	$ (263,946)	$ 9,636	$ (3,867)	$ (177)	$ 898,497

[1] See Note 27 for information regarding Acreage Hempco.

Wana

On October 14, 2021, the Company and Mountain High Products, LLC, Wana Wellness, LLC and The Cima Group, LLC (collectively, "Wana" and each, a "Wana Entity") entered into definitive agreements (the "Wana Agreements") providing the Company with the right, upon the occurrence or waiver (at the Company's discretion) 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"), to acquire 100% of the outstanding membership interests of Wana. Wana manufactures and sells gummies in the U.S. state of Colorado and licenses its intellectual property to partners, who manufacture, distribute, and sell Wana-branded gummies across the United States.

The Wana Agreements are structured as three separate option agreements whereby the Company has a call option (the "Call Option") to acquire 100% of the membership interests in each Wana Entity. As consideration for entering into the Wana Agreements, the Company made an upfront cash payment (the "Upfront Payment") in the aggregate amount of $368,067 (US$297,500). Upon the Company's exercise of its right to acquire Wana, the Company will make payments equal to 15% of the fair market value of Wana at the time the options are exercised (the "Call Option Payments"). As additional consideration for the right to acquire Wana, the Company expects to make additional deferred payments (the "Deferred Payments") in respect of Wana as of the 2.5- and 5-year anniversary of the Upfront Payment, computed based on a pre-determined contractual formula as follows:

- Deferred Payment 1: 25% of the amount computed as the estimated fair value of Wana at the 2.5-year anniversary, less (i) the Upfront Payment, (ii) Wana debt, and (iii) certain other deductions; plus Wana cash, all at the 2.5-year anniversary.
- Deferred Payment 2: 25% of the amount computed as the estimated fair value of Wana at the 5-year anniversary, less (i) the greater of (a) the Upfront Payment and (b) the estimated fair value of Wana at the 2.5-year anniversary, (ii) Wana debt, and (iii) certain other deductions, all at the 5-year anniversary; plus the difference in Wana cash between the 5-year and 2.5-year anniversaries.

Payment of the Deferred Payments is not contingent upon the occurrence or waiver (at the Company's discretion) of the Triggering Event or the exercise of the Call Option. At the Company's option, the Call Option Payments and the Deferred Payments may be satisfied in cash, common shares or a combination thereof at the Company's sole discretion.

Until such time as the Company exercises its right to acquire Wana, the Company will have no economic or voting interest in Wana, the Company will not control Wana, and the Company and Wana will continue to operate independently.

Upon initial recognition, the Company estimated the fair value of the Wana financial instrument to be $442,227, consisting of (i) the Upfront Payment as noted above; and (ii) the present value of the estimated Deferred Payments, totaling $74,160 (see Note 15). The Wana financial instrument, in effect, represents an option to purchase 100% of Wana for a payment equal to 15% of Wana's fair market value at the time the option is exercised.

There was no change in the estimated fair value of the Wana financial instrument from initial recognition to December 31, 2021. Any subsequent changes in estimated fair value will be recognized in net income (loss). See Note 21 for additional details on how the fair value of the Wana financial instrument is calculated on a recurring basis.

10. PROPERTY, PLANT AND EQUIPMENT

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

	December 31, 2021	March 31, 2021
Buildings and greenhouses	$ 820,863	$ 651,166
Production and warehouse equipment	204,790	216,925
Leasehold improvements	86,307	106,837
Office and lab equipment	32,093	30,546
Land	23,410	34,747
Computer equipment	23,097	26,431
Right-of-use-assets		
Buildings and greenhouses	99,355	100,517
Production and warehouse equipment	182	530
Assets in process	25,496	129,428
	1,315,593	1,297,127
Less: Accumulated depreciation	(235,414)	(222,590)
	$ 1,080,179	$ 1,074,537

Depreciation expense included in cost of goods sold for the three and nine months ended December 31, 2021 is $13,813 and $38,663, respectively (three and nine months ended December 31, 2020 – $10,955 and $40,190, respectively). Depreciation expense included in selling, general and administrative expenses for the three and nine months ended December 31, 2021 is $5,546 and $17,804, respectively (three and nine months ended December 31, 2020 – $7,297 and $14,435, respectively).

11. INTANGIBLE ASSETS

The components of intangible assets are as follows:

	December 31, 2021		March 31, 2021	
	Gross Carrying Amount	Net Carrying Amount	Gross Carrying Amount	Net Carrying Amount
Finite lived intangible assets				
Intellectual property	$ 209,650	$ 157,206	$ 212,100	$ 168,655
Distribution channel	76,963	29,568	73,756	35,176
Software and domain names	30,517	13,855	27,836	18,149
Brands	21,675	8,143	21,812	8,894
Operating licenses	12,400	11,472	-	-
Amortizable intangibles in process	3,729	3,729	1,952	1,952
Total	$ 354,934	$ 223,973	$ 337,456	$ 232,826
Indefinite lived intangible assets				
Acquired brands		$ 104,780		$ 67,341
Operating licenses		10,000		8,000
Total intangible assets		$ 338,753		$ 308,167

Amortization expense included in cost of goods sold for the three and nine months ended December 31, 2021 is $19 and $62, respectively (three and nine months ended December 31, 2020 – $99 and $62, respectively). Amortization expense included in selling, general and administrative expenses for the three and nine months ended December 31, 2021 is $10,639 and $27,400, respectively (three and nine months ended December 31, 2020 – $14,034 and $43,503, respectively).

12. GOODWILL

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

Balance, March 31, 2020	$ 1,954,471
Foreign currency translation adjustments	(65,117)
Balance, March 31, 2021	$ 1,889,354
Purchase accounting allocations	112,939
Disposal of consolidated entities	(5,245)
Foreign currency translation adjustments	(8,798)
Balance, December 31, 2021	$ 1,988,250

13. OTHER ACCRUED EXPENSES AND LIABILITIES

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

	December 31, 2021	March 31, 2021
Employee compensation	$ 22,559	$ 47,237
Taxes and government fees	7,684	13,550
Professional fees	7,319	11,544
Other	38,445	28,482
	$ 76,007	$ 100,813

14. DEBT

The components of debt are as follows:

	Maturity Date	December 31, 2021	March 31, 2021
Convertible senior notes at 4.25% interest with semi-annual interest payments	July 15, 2023		
Principal amount		$ 600,000	$ 600,000
Accrued interest		12,042	5,664
Non-credit risk fair value adjustment		9,240	109,710
Credit risk fair value adjustment		(54,240)	(27,960)
		567,042	687,414
Convertible debentures	September 10, 2025	31,689	-
Accretion debentures	September 10, 2025	7,478	-
Credit facility	March 18, 2026	901,003	891,677
Other revolving debt facility, loan, and financings		3,155	3,872
		1,510,367	1,582,963
Less: current portion		(15,702)	(9,827)
Long-term portion		$ 1,494,665	$ 1,573,136

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 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 any indebtedness under the revolving debt facility with FCC (as defined below). 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 (a "Fundamental Change"). A Fundamental Change occurred upon completion of the investment by Constellation Brands, Inc. ("CBI") in the Company in November 2018, and no holders of Notes surrendered any portion of their Notes in connection therewith.

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.

Prior to July 20, 2021, the Company could not redeem the Notes 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 – *Financial Instruments* ("ASC 825"). 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 the 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 are recorded through other comprehensive income (loss).

The overall change in fair value of the Notes during the three and nine months ended December 31, 2021, was a decrease of $16,806 and $120,372, respectively (three and nine months ended December 31, 2020, an increase of $105,588 and $177,588, respectively), which included contractual interest of $6,444 and $19,128 (three and nine months ended December 31, 2020, interest of $6,588 and $19,338, respectively). Refer to Note 21 for additional details on how the fair value of the Notes is calculated.

Supreme Cannabis Convertible Debentures and Accretion Debentures

On October 19, 2018, Supreme Cannabis (as defined below) entered into an indenture with Computershare Trust Company of Canada (the "Trustee") pursuant to which Supreme Cannabis issued 6.0% senior unsecured convertible debentures (the "Supreme Debentures") for gross proceeds of $100,000. On September 9, 2020, Supreme Cannabis and the Trustee entered into a supplemental indenture to effect certain amendments to the Supreme Debentures, which included among other things: (i) the cancellation of $63,500 of principal amount of the Supreme Debentures; (ii) an increase in the interest rate to 8% per annum; (iii) the extension of the maturity date to September 10, 2025; and (iv) a reduction in the conversion price to $0.285.

In addition, on September 9, 2020, Supreme Cannabis issued new senior unsecured non-convertible debentures (the "Accretion Debentures"). The principal amount began at $nil and accretes at a rate of 11.06% per annum based on the remaining principal amount of the Supreme Debentures of $36,500 to a maximum of $13,500, compounding on a semi-annual basis commencing on September 9, 2020, and ending on September 9, 2023. The Accretion Debentures are payable in cash, but do not bear cash interest and are not convertible into Supreme Shares (as defined below). The principal amount of the Accretion Debentures will amortize, or be paid, at 1.0% per month over the 24 months prior to maturity.

As a result of the Supreme Arrangement (as defined below), the Supreme Debentures remain outstanding as securities of Supreme Cannabis, which, upon conversion will entitle the holder thereof to receive, in lieu of the number of Supreme Shares to which such holder was theretofore entitled, the consideration payable under the Supreme Arrangement that such holder would have been entitled to be issued and receive if, immediately prior to the effective time of the Supreme Arrangement, such holder had been the registered holder of the number of Supreme Shares to which such holder was theretofore entitled.

In connection with the Supreme Arrangement, the Company, Supreme Cannabis and the Trustee entered into a supplemental indenture whereby the Company agreed to issue common shares upon conversion of any Supreme Debenture. In addition, the Company may force conversion of the Supreme Debentures outstanding with 30 days' notice if the daily volume weighted average trading price of the Company's common shares is greater than $38.59 for any 10 consecutive trading days. The Company, Supreme Cannabis and the Trustee entered into a further supplemental indenture whereby the Company agreed to guarantee the obligations of Supreme Cannabis pursuant to the Supreme Debentures and the Accretion Debentures.

Prior to September 9, 2023, the Supreme Debentures are not redeemable. Beginning on and after September 9, 2023, Supreme Cannabis may from time to time, upon providing 60 days prior written notice to the Trustee, redeem the Convertible Debentures outstanding, provided that the Accretion Debentures have already been redeemed in full.

Other revolving debt facility, loans, and financings

On August 13, 2019, the Company, through its wholly owned subsidiary, Tweed Inc., entered into a $40,000 revolving debt facility with Farm Credit Canada ("FCC"). The new facility replaces the previous loans with FCC and is secured by the Company's property in Niagara-on-the-Lake. 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, 2021 – $nil) with an interest rate of 3.45%, or FCC prime rate plus 1.0%. The facility expires on September 3, 2024.

The revolving debt facility with FCC 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.

15. OTHER LIABILITIES

The components of other liabilities are as follows:

	As at December 31, 2021			As at March 31, 2021		
	Current	Long-term	Total	Current	Long-term	Total
Lease liabilities	$ 38,684	$ 104,300	$ 142,984	$ 42,061	$ 94,164	$ 136,225
Acquisition consideration and other investment related liabilities	4,078	83,681	87,759	16,577	7,808	24,385
Refund liability	6,046	-	6,046	6,441	-	6,441
Settlement liabilities and other	30,892	7,637	38,529	41,349	5,268	46,617
	$ 79,700	$ 195,618	$ 275,318	$ 106,428	$ 107,240	$ 213,668

On October 14, 2021, upon entering into the Wana Agreements, the Company recognized the present value of the estimated Deferred Payments associated with the Wana financial instrument within acquisition consideration and other investment related liabilities, in the amount of $74,160 (see Note 9).

16. REDEEMABLE NONCONTROLLING INTEREST

The net changes in the redeemable noncontrolling interests are as follows:

	Vert Mirabel	BioSteel	Total
As at March 31, 2021	$ 11,500	$ 123,800	$ 135,300
Net loss attributable to redeemable noncontrolling interest	(2,401)	(10,699)	(13,100)
Adjustments to redemption amount	2,401	(50,792)	(48,391)
Redemption of redeemable noncontrolling interest	-	(5,109)	(5,109)
As at December 31, 2021	$ 11,500	$ 57,200	$ 68,700

	Vert Mirabel	BioSteel	Total
As at March 31, 2020	$ 20,250	$ 49,500	$ 69,750
Net loss attributable to redeemable noncontrolling interest	(5,593)	(4,287)	(9,880)
Adjustments to redemption amount	5,543	45,687	51,230
As at December 31, 2020	$ 20,200	$ 90,900	$ 111,100

17. SHARE CAPITAL

CANOPY GROWTH

Authorized

An unlimited number of common shares.

(i) Equity financings

There were no equity financings during the nine months ended December 31, 2021 (nine months ended December 31, 2020 - none).

(ii) Other issuances of common shares

During the nine months ended December 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
Acquisition of Supreme Cannabis	9,013,400	$ 260,668	$ -
Completion of acquisition milestones	1,295,285	29,276	(29,721)
Other issuances	351,252	6,630	(405)
Total	10,659,937	$ 296,574	$ (30,126)

During the nine months ended December 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
Completion of acquisition milestones	1,149,086	$ 21,531	$ (13,009)
Other issuances	412,417	14,135	(14,712)
Total	1,561,503	$ 35,666	$ (27,721)

(iii) Warrants

	Number of whole warrants		Average exercise price		Warrant value
Balance outstanding at March 31, 2021[1]	127,073,136	$	58.33	$	2,568,438
Supreme Cannabis warrants	1,265,742		25.61		13,350
Expiry of warrants	(145,831)		32.61		-
Balance outstanding at December 31, 2021[1]	128,193,047	$	58.04	$	2,581,788

[1] This balance excludes the Tranche C Warrants (as defined below), which represent a derivative liability and have nominal value. See Note 27.

	Number of whole warrants		Average exercise price		Warrant value
Balance outstanding at March 31, 2020[1]	146,299,443	$	52.44	$	2,638,951
Exercise of warrants	(18,876,901)		12.98		(70,266)
Expiry of warrants	(343,380)		41.49		-
Balance outstanding at December 31, 2020[1]	127,079,162	$	58.30	$	2,568,685

[1] This balance excludes the Tranche C Warrants (as defined below), which represent a derivative liability and have nominal value. See Note 27.

18. 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. On May 27, 2021, the Board of Directors of the Company approved certain amendments to the Omnibus Plan in order to reduce the maximum number of shares available for issuance under the Omnibus Plan from 15% of the issued and outstanding shares to 10% of the issued and outstanding shares from time to time less the number of shares issuable pursuant to other security-based compensation arrangements of the Company. 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.

The maximum number of common shares reserved for Awards is 39,415,800 at December 31, 2021. As of December 31, 2021, the only Awards issued have been Options, RSUs and PSUs under the Omnibus Plan.

The Omnibus Plan is administered by the Corporate Governance, Compensation and Nominating Committee of the Company (the "CGC&N Committee") which establishes exercise prices, at not less than the market price at the date of grant, and expiry dates. Options under the Omnibus Plan generally become 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, subject to the capacity of the CGC&N Committee pursuant to the Omnibus Plan to provide for an expiry date in an award agreement for the grant of options, which is less than ten years from issuance. The CGC&N Committee has the discretion to amend general vesting provisions and the term of any award, subject to limits contained in the Omnibus Plan.

Under the Company's Employee Share Purchase Plan (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. For the three and nine months ended December 31, 2021, 61,103 common shares were issued under the Purchase Plan.

The following is a summary of the changes in the Options outstanding during the nine months ended December 31, 2021:

	Options issued	Weighted average exercise price
Balance outstanding at March 31, 2021	17,704,311	$ 36.79
Options granted	2,528,021	17.42
Replacement options issued as a result of the acquisition of Supreme Cannabis	140,159	80.53
Options exercised	(421,476)	12.65
Options forfeited	(2,213,825)	39.70
Balance outstanding at December 31, 2021	17,737,190	$ 34.17

The following is a summary of the Options as at December 31, 2021:

	Options Outstanding		Options Exercisable	
Range of Exercise Prices	Outstanding at December 31, 2021	Weighted Average Remaining Contractual Life (years)	Exercisable at December 31, 2021	Weighted Average Remaining Contractual Life (years)
$0.06 - $24.62	3,789,682	4.31	1,263,512	2.14
$24.63 - $33.53	4,153,283	3.49	2,331,110	2.89
$33.54 - $36.80	3,229,461	2.51	3,229,461	2.51
$36.81 - $42.84	2,857,506	3.19	2,622,583	2.87
$42.85 - $171.54	3,707,258	3.13	2,921,964	3.06
	17,737,190	3.36	12,368,630	2.75

At December 31, 2021, the weighted average exercise price of Options outstanding and Options exercisable was $34.17 and $38.05, respectively (March 31, 2021 – $36.79 and $36.97, respectively).

The Company recorded $3,696 and $22,038, respectively, in share-based compensation expense related to Options and Purchase Plan shares issued to employees and contractors for the three and nine months ended December 31, 2021 (three and nine months ended December 31, 2020 – $16,663 and $54,516, respectively). The share-based compensation expense for the nine months ended December 31, 2021 includes an amount related to 1,559,413 Options being provided in exchange for services which are subject to performance conditions (for the nine months ended December 31, 2020 – 2,112,745).

The Company issued replacement options to employees in relation to the acquisition of Supreme Cannabis (Note 26) and during the three and nine months ended December 31, 2021, recorded share-based compensation expense of $nil and $823, respectively.

The Company uses the Black-Scholes option pricing model to establish the fair value of Options granted during the three months ended December 31, 2021 and 2020, on their measurement date by applying the following assumptions:

	December 31, 2021	December 31, 2020
Risk-free interest rate	1.21%	0.49%
Expected life of options (years)	3 - 5	5 - 7
Expected volatility	75%	73%
Expected forfeiture rate	18%	17%
Expected dividend yield	nil	nil
Black-Scholes value of each option	$7.55	$23.53

Volatility was estimated by using the historical volatility of the Company. 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 nine months ended December 31, 2021, 421,476 Options were exercised ranging in price from $0.06 to $36.34 for gross proceeds of $5,455 (for the nine months ended December 31, 2020 – 3,176,977 Options were exercised ranging in price from $0.06 to $36.34 for gross proceeds of $37,999).

For the three and nine months ended December 31, 2021, the Company recorded $1,950 and $7,935, respectively, in share-based compensation expense related to RSUs and PSUs (for the three and nine months ended December 31, 2020 – $2,685 and $8,870, respectively). The following is a summary of the changes in the Company's RSUs and PSUs during the nine months ended December 31, 2021:

	Number of RSUs and PSUs
Balance outstanding at March 31, 2021	753,310
RSUs and PSUs granted	564,150
RSUs and PSUs released	(197,316)
RSUs and PSUs cancelled and forfeited	(201,000)
Balance outstanding at December 31, 2021	919,144

During the three and nine months ended December 31, 2021, the Company recorded $971 and $4,376, respectively, in share-based compensation expense (recovery) related to acquisition milestones (for the three and nine months ended December 31, 2020 – $(21) and $5,857, respectively).

During the three and nine months ended December 31, 2021, 419,884 and 1,295,285, common shares, respectively, were released on completion of acquisition milestones (during the three and nine months ended December 31, 2020 – nil and 1,149,086, respectively). At December 31, 2021, there were up to 256,057 common shares to be issued on the completion of acquisition and asset purchase milestones. In certain cases, the number of common shares to be issued is based on the volume weighted average share price at the time the milestones are met. The number of common shares has been estimated assuming the milestones were met at December 31, 2021. The number of common shares excludes common shares that are to be issued on July 4, 2023 to the previous shareholders of Spectrum Colombia S.A.S. and Canindica Capital Ltd. based on the fair market value of the Company's Latin American business on that date.

BioSteel share-based payments

On October 1, 2019, the Company purchased 72% of the outstanding shares of BioSteel Sports Nutrition Inc. ("BioSteel"). 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 December 31, 2021, BioSteel had 1,545,300 (March 31, 2021 – 1,581,000) 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 $160 and $684 of share-based compensation expense related to the BioSteel options during the three and nine months ended December 31, 2021, respectively, with a corresponding increase in noncontrolling interest (three and nine months ended December 31, 2020 – $256 and $918, respectively).

RIV Capital Inc. ("RIV Capital") share-based payments

For the three and nine months ended December 31, 2020, the Company recorded $381 and $2,471, respectively, in share-based compensation expense related to its former subsidiary, RIV Capital. The Company disposed of its investment in RIV Capital on February 23, 2021.

19. 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	Accumulated other comprehensive income (loss)
As at March 31, 2021	$ (28,246)	$ (5,994)	$ (34,240)
Other comprehensive income (loss)	(18,767)	26,280	7,513
As at December 31, 2021	$ (47,013)	$ 20,286	$ (26,727)

	Foreign currency translation adjustments	Changes of own credit risk of financial liabilities	Accumulated other comprehensive income (loss)
As at March 31, 2020	$ 126,723	$ 94,176	$ 220,899
Other comprehensive loss	(110,932)	(82,560)	(193,492)
As at December 31, 2020	$ 15,791	$ 11,616	$ 27,407

20. NONCONTROLLING INTERESTS

The net change in the noncontrolling interests is as follows:

	Vert Mirabel	BioSteel	Other non-material interests	Total
As at March 31, 2021	$ -	$ 1,658	$ 3,051	$ 4,709
Comprehensive loss	(2,401)	(10,699)	(1,207)	(14,307)
Net loss attributable to redeemable noncontrolling interest	2,401	10,699	-	13,100
Share-based compensation	-	684	-	684
As at December 31, 2021	$ -	$ 2,342	$ 1,844	$ 4,186

	Canopy Rivers	Vert Mirabel	BioSteel	Other non-material interests	Total
As at March 31, 2020	$ 211,086	$ 7,132	$ 489	$ 3,051	$ 221,758
Comprehensive loss	4,060	(8,956)	(4,287)	-	(9,183)
Net loss attributable to redeemable noncontrolling interest	-	5,593	4,287	-	9,880
Share-based compensation	2,471	-	918	-	3,389
Ownership changes	1,521	175	-	-	1,696
Warrants	250	-	-	-	250
As at December 31, 2020	$ 219,388	$ 3,944	$ 1,407	$ 3,051	$ 227,790

21. 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**
December 31, 2021				
Assets:				
Short-term investments	$ 807,884	$ -	$ -	$ 807,884
Restricted short-term investments	12,208	-	-	12,208
Other financial assets	554	-	890,843	891,397
Liabilities:				
Convertible senior notes	-	567,042	-	567,042
Liability arising from Acreage Arrangement	-	-	103,000	103,000
Warrant derivative liability	-	-	37,491	37,491
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

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 notes	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	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
TerrAscend warrants - 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
Wana financial instrument	Monte Carlo simulation model	Probability of US legalization	Increase or decrease in probability of US legalization will result in an increase or decrease in fair value
		Volatility of Wana	Increase or decrease in volatility 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

During the nine months ended December 31, 2021 and December 31, 2020, there were no transfers of amounts between levels.

22. REVENUE

Revenue is dissaggregated as follows:

	Three months ended December 31, 2021	Three months ended December 31, 2020	Nine months ended December 31, 2021	Nine months ended December 31, 2020
Canadian recreational cannabis net revenue				
Business-to-business[1]	$ 33,282	$ 43,129	$ 117,902	$ 120,286
Business-to-consumer	14,477	20,224	48,473	48,263
	47,759	63,353	166,375	168,549
Canadian medical cannabis net revenue[2]	12,919	13,947	39,504	41,745
	60,678	77,300	205,879	210,294
International and other revenue				
C[3]	9,675	17,642	33,005	46,567
Other	12,624	8,886	32,357	20,543
	22,299	26,528	65,362	67,110
Global cannabis net revenue	82,977	103,828	271,241	277,404
Other consumer products				
Storz & Bickel	25,205	24,147	63,786	63,103
This Works	10,730	10,907	26,308	24,789
BioSteel	16,974	7,348	31,147	14,918
Other	5,086	6,298	16,073	17,996
Other consumer products revenue	57,995	48,700	137,314	120,806
Net revenue	$ 140,972	$ 152,528	$ 408,555	$ 398,210

[1]Canadian recreational business-to-business net revenue during the three and nine months ended December 31, 2021 reflects excise taxes of $12,754 and $43,501, respectively (three and nine months ended December 31, 2020 – $15,977 and $37,423, respectively).
[2]Canadian medical cannabis net revenue for the three and nine months ended December 31, 2021 reflects excise taxes of $1,298 and $4,039, respectively (three and nine months ended December 31, 2020 – $1,402 and $4,190, respectively).

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 $1,000 and $4,000 for the three and nine months ended December 31, 2021, respectively (three and nine months ended December 31, 2020 – $3,750 and $10,900, respectively). As of December 31, 2021, the liability for estimated returns and price adjustments was $6,046 (March 31, 2021 – $6,441).

23. OTHER INCOME (EXPENSE), NET

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

	Three months ended		Nine months ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Fair value changes on other financial assets	$ (68,666)	$ 281,359	$ (263,946)	$ 385,219
Fair value changes on liability arising from Acreage Arrangement	59,000	(303,000)	497,000	(249,849)
Fair value changes on convertible senior notes	606	(75,498)	81,342	(107,778)
Fair value changes on warrant derivative liability	67,282	(193,998)	578,084	(93,455)
Fair value changes on acquisition related contingent consideration and other	712	(3,066)	544	39,803
Interest income	1,575	7,310	6,977	19,078
Interest expense	(26,408)	(1,030)	(77,618)	(3,708)
Foreign currency gain (loss)	990	710	2,902	(10,290)
Loss on disposal of consolidated entity	-	-	(1,653)	-
Other income (expense), net	(809)	(3,354)	(12,863)	(126)
	$ 34,282	$ (290,567)	$ 810,769	$ (21,106)

24. INCOME TAXES

There have been no material changes to income tax matters in connection with normal course operations during the nine months ended December 31, 2021.

The Company is subject to income tax in numerous jurisdictions with varying income tax rates. During the most recent period ended and the fiscal year to date, there were no material changes to the statutory income tax rates in the taxing jurisdictions where the majority of the Company’s income for tax purposes was earned, or where its temporary differences or losses are expected to be realized or settled. Although statutory income tax rates remain stable, the Company’s effective income tax rate may fluctuate, arising as a result of the Company’s evolving footprint, discrete transactions and other factors that, to the extent material, are disclosed in these financial statements.

The Company continues to believe that 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 reporting period 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 reporting period during which such determination is made.

25. EARNINGS (LOSS) PER SHARE

Basic and diluted earnings (loss) per share are calculated using the following numerators and denominators:

	Three months ended		Nine months ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Basic (loss) earnings per share computation				
Net (loss) income attributable to common shareholders of Canopy Growth	$ (108,925)	$ (904,380)	$ 272,435	$ (1,044,942)
Weighted average number of common shares outstanding	393,818,282	372,908,767	390,423,083	369,418,037
Basic (loss) earnings per share	$ (0.28)	$ (2.43)	$ 0.70	$ (2.83)
Diluted (loss) earnings per share computation				
Net (loss) income used in the computation of basic (loss) earnings per share	$ (108,925)	$ (904,380)	$ 272,435	$ (1,044,942)
Numerator adjustments for diluted (loss) earnings per share:				
Adjustment to net loss attributable to noncontrolling interests and redeemable noncontrolling interest	-	-	(13,100)	-
Removal of fair value changes on convertible senior notes	-	-	(81,342)	-
Net (loss) income used in the computation of diluted (loss) earnings per share	$ (108,925)	$ (904,380)	$ 177,993	$ (1,044,942)
Weighted average number of common shares outstanding used in the computation of basic (loss) earnings per share	393,818,282	372,908,767	390,423,083	369,418,037
Denominator adjustments for diluted (loss) earnings per share:				
Dilutive impact of assumed exercise or conversion of:				
Convertible senior notes	-	-	12,454,620	-
Redeemable noncontrolling interest	-	-	4,528,898	-
Stock options	-	-	745,700	-
Other securities	-	-	2,834,501	-
Weighted average number of common shares for computation of diluted (loss) earnings per share	393,818,282	372,908,767	410,986,802	369,418,037
Diluted (loss) earnings per share[1]	$ (0.28)	$ (2.43)	$ 0.43	$ (2.83)

[1] In computing diluted earnings per share, incremental common shares are not considered in periods in which a net loss is reported, as the inclusion of the common share equivalents would be anti-dilutive.

26. ACQUISITIONS

The following table summarizes the consolidated balance sheet impact at acquisition of the Company's business combinations that occurred in the nine months ended December 31, 2021:

	Ace Valley (i)	Supreme Cannabis (ii)	Other	Total
Cash and cash equivalents	$ 1,544	$ 41,306	$ 1,227	$ 44,077
Inventory	878	33,426	428	34,732
Other current assets	2,249	15,145	305	17,699
Property, plant and equipment	105	187,407	1,510	189,022
Intangible assets				
Brands	14,000	24,600	-	38,600
Distribution channel	-	3,500	-	3,500
Operating licenses	-	12,400	2,000	14,400
Goodwill	39,152	66,524	7,263	112,939
Accounts payable and other accrued expenses and liabilities	(1,724)	(13,056)	-	(14,780)
Debt and other liabilities	-	(88,324)	(1,037)	(89,361)
Deferred income tax liabilities	(1,899)	(3,260)	(540)	(5,699)
Net assets acquired	$ 54,305	$ 279,668	$ 11,156	$ 345,129
Consideration paid in cash	$ 51,836	$ 84	$ 7,104	$ 59,024
Consideration paid in shares	-	260,668	4,052	264,720
Replacement options	-	629	-	629
Replacement warrants	-	13,350	-	13,350
Other consideration	2,469	4,937	-	7,406
Total consideration	$ 54,305	$ 279,668	$ 11,156	$ 345,129
Consideration paid in cash	$ 51,836	$ 84	$ 7,104	$ 59,024
Less: Cash and cash equivalents acquired	(1,544)	(41,306)	(1,227)	(44,077)
Net cash outflow (inflow)	$ 50,292	$ (41,222)	$ 5,877	$ 14,947

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. None of the goodwill arising on these acquisitions is expected to be deductible in the computation of income for tax purposes.

(i) 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"), and the shareholders of Ace Valley (the "AV Vendors") pursuant to which the Company indirectly acquired 100% of the issued and outstanding shares of Ace Valley for cash consideration of $51,836. Ace Valley is an Ontario-based cannabis brand with a focus on premium, ready-to-enjoy products including vapes, pre-roll joints and gummies. 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 common shares, subject to the fulfillment of certain conditions by April 1, 2023. This represents liability-classified contingent consideration. Management has estimated the fair value of this consideration to be $2,469 by assessing the probability and timing of the fulfillment of the specified conditions and discounting the expected cash outflows to present value.

Due to the timing of this acquisition, the purchase price allocation for the acquisition of Ace Valley is provisional. The fair value assigned to the consideration paid, intangible assets and net assets acquired is based on management's best estimate using the information currently available and may be revised by the Company as additional information is received.

(ii) Supreme Cannabis

On June 22, 2021, the Company and the Supreme Cannabis Company, Inc. ("Supreme Cannabis") completed an arrangement (the "Supreme Arrangement") pursuant to which the Company acquired 100% of the issued and outstanding common shares of Supreme Cannabis (the "Supreme Shares"). Supreme Cannabis is a producer of recreational, wholesale and medical cannabis products, with a diversified portfolio of distinct cannabis companies, products and brands. Pursuant to the Supreme Arrangement, the Company issued 9,013,400 common shares with a fair value on closing of $260,668 and made a cash payment of $84 to former Supreme Cannabis shareholders in consideration for their Supreme Shares.

The Company also assumed the obligation to issue 1,265,742 common shares upon the exercise of outstanding warrants of Supreme Cannabis and issued 140,159 replacement options. The fair value of the obligation upon the exercise of the outstanding warrants of Supreme Cannabis was estimated to be $13,350 using a Black-Scholes model. The replacement options' fair value totaled $1,452, calculated using a Black-Scholes model, of which $629 was included in consideration paid as it related to pre-combination services and the residual $823 fair value was recognized immediately in share-based compensation expense after the completion of the acquisition.

On June 22, 2021, Supreme Cannabis had convertible debentures outstanding with a principal amount of $27,045 which were convertible into 94,895,649 Supreme Shares. As a result of the acquisition the conversion feature was adjusted in accordance with an exchange ratio of 0.011659. The fair value of these convertible debentures on June 22, 2021 was estimated to be $36,593, of which $4,937 was allocated to the conversion feature and $31,656 to the debt component.

Due to the timing of this acquisition, the purchase price allocation for the acquisition of Supreme Cannabis is provisional. The fair value assigned to the consideration paid, intangible assets and net assets acquired is based on management's best estimate using the information currently available and may be revised by the Company as additional information is received.

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

Acreage Arrangement

On September 23, 2020, the Company and Acreage Holdings, Inc. ("Acreage") entered into a second amendment (the "Acreage Amending Agreement") to the arrangement agreement (the "Acreage Arrangement Agreement") between the Company and Acreage dated April 18, 2019, as amended on May 15, 2019, and implemented an amended and restated plan of arrangement (the "Acreage Amended Arrangement"). The Acreage Amended Arrangement provides for, among other things, the following:

- 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 Acreage Amending Agreement), Canopy Growth will acquire all of the issued and outstanding Class E subordinated voting shares (the "Fixed Shares") based on an amended exchange ratio equal to 0.3048 of a common share to be received for each Fixed Share held. The foregoing exchange ratio for the Fixed Shares is subject to adjustment in accordance with the Acreage Amended Arrangement if, among other things, Acreage issues greater than the permitted number of Fixed Shares;
- 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 Class D subordinated voting shares (the "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 Canadian Securities Exchange, 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;
- Immediately prior to the acquisition of the Fixed Shares, each issued and outstanding Class F multiple voting 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 by 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 convertible securities 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 December 31, 2021, the right and the obligation (the "Acreage financial instrument") to acquire the Fixed Shares represents a financial liability of $103,000 (March 31, 2021 – $600,000), 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 $59,000 and $497,000 were recognized in other income (expense), net in the three and nine months ended December 31, 2021, respectively (three and nine months ended December 31, 2020 – $(303,000) and $(249,849), respectively) (see Note 23). The fair value determination includes a high degree of subjectivity and judgment, which results in significant estimation uncertainty. See Note 21 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 ("Debenture"). In accordance with the terms of the 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 Debenture bears interest at a rate of 6.1% per annum, matures on September 23, 2030, or such earlier date in accordance with the terms of the Debenture, and all interest payments made pursuant to the Debenture are payable in cash by Acreage Hempco. The Debenture is not convertible and is not guaranteed by Acreage.

The amount advanced on September 23, 2020 pursuant to the Debenture has been recorded in other financial assets (see Note 9), and the Company has elected the fair value option under ASC 825 (see Note 21). At December 31, 2021, the estimated fair value of the Debenture issued to an affiliate of the Company by Acreage Hempco was $27,801 (March 31, 2021 – $27,448), measured using a discounted cash flow model (see Note 21). Refer to Note 9 for details on fair value changes, foreign currency translation adjustment, and interest received during the nine months ended December 31, 2021. An additional US$50,000 may be advanced pursuant to the 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 a second amended and restated investor rights agreement and a consent agreement. In connection with these agreements, on June 27, 2019, Canopy Growth (i) extended the term of the first tranche of warrants, which allow CBI to acquire 88.5 million additional shares of Canopy Growth for a fixed price of $50.40 per share (the "Tranche A Warrants"), to November 1, 2023; and (ii) replaced the second tranche of 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 December 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 December 31, 2021, the fair value of the warrant derivative liability was $37,491 (March 31, 2021 – $615,575), and fair value changes of $67,282 and $578,084 have been recognized in other income (expense), net in the three and nine months ended December 31, 2021, respectively (three and nine months ended December 31, 2020 – loss of $193,998 and $93,455, respectively) (see Note 23). The fair value determination includes a high degree of subjectivity and judgment, which results in significant estimation uncertainty. See Note 21 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 December 31, 2021.

28. SEGMENT INFORMATION

Reportable segments

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.

	Three months ended		Nine months ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Segmented net revenue				
Global cannabis	$ 82,977	$ 103,828	$ 271,241	$ 277,404
Other consumer products	57,995	48,700	137,314	120,806
	$ 140,972	$ 152,528	$ 408,555	$ 398,210
Segmented gross margin:				
Global cannabis	$ (11,209)	$ 7,394	$ (80,432)	$ 12,598
Other consumer products	21,299	17,191	46,620	44,562
	10,090	24,585	(33,812)	57,160
Selling, general and administrative expenses	116,835	144,078	355,165	426,723
Share-based compensation	6,777	19,963	35,856	72,632
Expected credit losses on financial assets and relates charges	-	13,735	-	108,480
Asset impairment and restructuring costs	36,439	400,422	128,198	459,579
Operating loss	(149,961)	(553,613)	(553,031)	(1,010,254)
Loss from equity method investments	-	(671)	(100)	(40,851)
Other income (expense), net	34,282	(290,567)	810,769	(21,106)
Net (loss) income before incomes taxes	$ (115,679)	$ (844,851)	$ 257,638	$ (1,072,211)

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:

	Three months ended		Nine months ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Canada	$ 78,644	$ 91,060	$ 241,440	$ 243,084
Germany	23,143	31,262	71,619	87,649
United States	22,764	18,141	60,856	40,885
Other	16,421	12,065	34,640	26,592
	$ 140,972	$ 152,528	$ 408,555	$ 398,210

Disaggregation of property, plant and equipment by geographic area:

	December 31, 2021	March 31, 2021
Canada	$ 876,331	$ 847,678
United States	140,299	143,747
Other	63,549	83,112
	$ 1,080,179	$ 1,074,537

For the three months ended December 31, 2021, no customer represented more than 10% of the Company's net revenue (three months ended December 31, 2020 – one).

For the nine months ended December 31, 2021, one customer represented more than 10% of the Company's net revenue (nine months ended December 31, 2020 – one).

29. SUBSEQUENT EVENTS

Divestiture of C^3 Cannabinoid Compound Company

On December 15, 2021, the Company entered into an agreement to divest all of its interest in C^3 Cannabinoid Compound Company GmbH ("C^3") to a European pharmaceutical company headquartered in Germany. C^3 develops and manufactures cannabinoid-based pharmaceutical products for distribution in Germany and certain other European countries.

The divestiture was completed on January 31, 2022, pursuant to which the Company received a cash payment of $128,316 (€88,698), inclusive of cash, working capital and debt adjustments. The Company will also be entitled to an earnout payment of up to €42,600, subject to the achievement of certain milestones by C^3.