

SHARE CONSOLIDATION Q&A

1. Q. The number of CGC Common Shares in my online broker account has decreased significantly. What happened?

- A. At the annual general and special meeting of shareholders of Canopy Growth Corporation (“Canopy Growth” or “the Company”) that took place on September 25, 2023 (the “Annual Meeting”), Canopy Growth shareholders [voted](#) to authorize Canopy Growth’s Board of Directors to consolidate the outstanding Common Shares and convertible securities (including stock options, warrants and convertible debentures) of the Company within specified ratios. On December 13, 2023, Canopy Growth [announced](#) that its Board of Directors was implementing a Share Consolidation on the basis of one (1) post-Consolidation Common Share for every ten (10) pre-Consolidation Common Share. The Share Consolidation reduces the number of Common Shares of the Company by a factor of 10.

An example Share Consolidation is a shareholder that held 1,500 Common Shares before the Consolidation would hold 150 Common Shares after.

2. Q. I held 1,525 Common Shares of Canopy Growth in my investment account prior to the Share Consolidation. With a 10:1 consolidation ratio, shouldn’t there now be 152.5 Common Shares in my investment account. According to my investment account statement, I now only hold 152 Common Shares. Why is my account not reflecting the additional half Share?

- A. Consistent with the terms of the Share Consolidation as described in the [proxy statement](#) for the Annual Meeting, no fractional Common Shares were issued in connection with the Share Consolidation and no cash was paid in lieu of fractional post-Share Consolidation Common Shares. Shareholders that would otherwise have been entitled to receive a fractional Share upon the occurrence of the Share Consolidation, were deemed to have tendered their fractional Shares to the Company for cancellation for no consideration.

3. Q. How does the Share Consolidation impact share price?

- A. On December 13, 2023, Canopy Growth’s [announced](#) a 10:1 Share Consolidation that became effective on December 15, 2023. The Common Shares began trading on a post-Share Consolidation basis at market open on December 20, 2023. As a result, there were 1/10th the number of Common Shares trading on December 20, 2023 in comparison to the number of Common Shares that were trading on December 19, 2023. Also, Canopy’s Share price increased effective as of market open on December 20, 2023

as a result of the decrease in the number of Common Shares outstanding and trading.

For example, the Common Shares closed at CAD \$0.69 (TSX:WEED) on December 19, 2023, so if a shareholder held 100,000 Common Shares on that day, they were worth CAD \$69,000. On December 20, 2023, following the Share Consolidation, you would have 10,000 Common Shares ($100,000 / 10$). However, these Common Shares would have a value of CAD \$6.90 each immediately following the Share Consolidation ($\text{CAD } \$0.69 \times 10$). Accordingly, the value held would still be unchanged at CAD \$69,000 ($10,000 \times \text{CAD } \6.90).

4. Q. Why did Canopy Growth execute the Share Consolidation?
 - A. The Share Consolidation was executed primarily in an effort to regain compliance with the Nasdaq Global Select Market (the “Nasdaq”) minimum bid price requirement so that Canopy will be in compliance with listing requirements of the Nasdaq on which the Company’s Common Shares are traded.