

# CANOPY GROWTH REPORTS SECOND QUARTER FISCAL 2025 FINANCIAL RESULTS

**Exhibit 99.1**

## Canopy Growth Reports Second Quarter Fiscal Year 2025 Financial Results

*Storz & Bickel net revenue increased 32% year-over-year in Q2 FY2025*

*Continued growth across medical cannabis businesses, with net revenue increasing year-over-year by 16% in Canada and 12% in international markets*

*Further improved balance sheet with early prepayment reducing senior secured term loan by US\$100MM*

SMITHS FALLS, ON, November 8, 2024 /PRNewswire/ - Canopy Growth Corporation ("Canopy Growth" or the "Company") (TSX:WEED) (Nasdaq: CGC) today announces its financial results for the second quarter ended September 30, 2024 ("Q2 FY2025"). All financial information in this press release is reported in Canadian dollars, unless otherwise indicated.

"We delivered a solid second quarter led by strong growth across our Storz & Bickel, Canadian medical, and European cannabis businesses and we are well positioned to accelerate momentum in the second half of our fiscal year. In addition, we remain highly optimistic about the momentum building within Canopy USA as this strategy was uniquely designed to succeed independent of the need for federal legalization."

*David Klein, Chief Executive Officer*

"We've demonstrated another quarter of progress towards profitability driven by improvement in gross margins as well as a reduction in SG&A expenses. With expected improvement in top-line growth in the second half of the fiscal year and continued cost discipline, we believe we remain on a path to achieve positive Adjusted EBITDA at the consolidated level in the coming quarters."

*Judy Hong, Chief Financial Officer*

## Second Quarter Fiscal Year 2025 Financial Summary

(in millions of Canadian dollars, unaudited)	Net Revenue	Gross margin percentage	Adjusted gross margin percentage <sup>1</sup>	Net loss from continuing operations	Adjusted EBITDA <sup>2</sup>	Free cash flow <sup>3</sup>
<b>Reported</b>	\$63.0	35%	35%	\$(131.6)	\$(5.5)	\$(56.4)
vs. Q2 FY2024	(9%)	100 bps	200 bps	11%	54%	16%

- Net revenue in Q2 FY2025 decreased 9% compared to the second quarter ended September 30, 2023 ("Q2 FY2024"). Excluding net revenue from businesses divested during the prior fiscal year, net revenue increased 3%.
- Consolidated gross margin increased by 100 basis points ("bps") to 35% in Q2 FY2025 compared to Q2 FY2024 primarily due to the realized benefit of the Company's cost savings program as well as a shift to higher-margin medical cannabis sales.
- Operating loss from continuing operations was \$46MM in Q2 FY2025, compared to a loss of \$7MM in Q2 FY2024, with last year's results benefitting from the sale of a facility in Smiths Falls, Ontario.
- Adjusted EBITDA loss was \$6MM in Q2 FY2025, representing a 54% improvement year-over-year, driven primarily by the realized benefit of the Company's cost savings program.
- Free Cash Flow was an outflow of \$56MM in Q2 FY2025, representing a 16% improvement compared to Q2 FY2024, primarily driven by a reduction in cash interest expenses.
- Cash and short-term investments balance increased to \$231MM at September 30, 2024, from \$195MM at June 30, 2024.

<sup>1</sup> Adjusted gross margin is a non-GAAP measure, and for Q2 FY2025 excludes \$nil of restructuring costs recorded in cost of goods sold (Q2 FY2024 - excludes \$0.7MM of restructuring cost reversals recorded in cost of goods sold). See "Non-GAAP Measures" and Schedule 4 for a reconciliation of net revenue to adjusted gross margin.

<sup>2</sup> Adjusted EBITDA is a non-GAAP measure. See "Non-GAAP Measures" and Schedule 5 for a reconciliation of net loss from continuing operations to adjusted EBITDA.

<sup>3</sup> Free cash flow is a non-GAAP measure. See "Non-GAAP Measures" and Schedule 6 for a reconciliation of net cash used in operating activities - continuing operations to free cash flow - continuing operations.

## Canada Cannabis Highlights

- Canada cannabis net revenue was \$37MM in Q2 FY2025, representing a decrease of 8% compared to Q2 FY2024. While Canada medical cannabis net revenue increased 16% over Q2 FY2024, Canada adult-use cannabis declined 24% in part due to an interruption in the supply of Wana edibles.
- Several initiatives are expected to strengthen the Company's Canada adult-use cannabis business in the second half of fiscal year 2025 ("2H FY2025"). These initiatives include:
  - The re-introduction of Wana edibles which is expected to drive growth in the edibles category, supported by investments in in-market activations.
  - Continued efforts to elevate the quality and variety of our Tweed and 7ACRES flower and pre-roll joint product offerings, as well as increased commercial investments to expand distribution and improve velocity of our core brands. The Company is seeing this investment pay off with reinvigorated performance of Tweed Kush Mintz as well as promising in-market performance of new strains Tweed Cherry Acai Mints, which is now carried in all markets nationally, and 7ACRES Ultra Jack.
  - A robust new product pipeline with a particular focus on the growth categories of Vape, Pre-Roll Joints and Concentrates. Over the coming weeks, the Company expects to launch an innovative infused pre-roll joint product in both adult-use and medical channels.

## International Markets Highlights

- International markets net revenue was \$10MM in Q2 FY2025, representing an increase of 12% over Q2 FY2024, with strong growth in Poland and Germany partially offset by a decline in Australia.
- International markets cannabis gross margins increased 1,700 bps to 47% during Q2 FY2025 compared to Q2 FY2024 primarily due to a shift in sales mix to higher-margin Poland as well as a lower overall cost structure.
- Agreements that the Company has signed with multiple EU-based cultivators are expected to increase the supply of cannabis flower to fuel growth in EU medical cannabis markets over the coming quarters.

## Storz & Bickel Highlights

- Storz & Bickel delivered net revenue in Q2 FY2025 of \$16MM, representing a 32% increase over Q2 FY2024 driven primarily by strong growth in Germany following regulatory reform, significant improvement in U.S. sales and the sell through of the remaining inventory of the Mighty device that is being phased out.
- Ongoing demand in Germany driven by active marketing campaigns are expected to drive continued growth in the German and the broader European market.
- Additional distribution gains in the U.S., driven by new affiliate programs as well as traditional holiday season marketing and sales initiatives are expected to benefit Storz & Bickel sales in 2H FY2025.

## Canopy USA Highlights

- Canopy USA, LLC ("Canopy USA") has completed the acquisition of Wana Brands ("Wana") with the closing of Mountain High Products, LLC subsequent to the end of Q2 FY2025, paving the way for brand integration and growth.
- Wana launched the ShopWanderous.com online marketplace for hemp-derived THC and CBD products, expanding their product offering to a new national consumer base.
- Lemurian, Inc. ("Jetty") is expected to launch new solventless All-In-One vapes in California and Colorado over the coming weeks, and New York early in calendar year 2025.
- The acquisition of Acreage Holdings, Inc. ("Acreage") by Canopy USA remains on track to close no later than the first half of calendar year 2025.

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## Second Quarter Fiscal 2025 Revenue Review<sup>4</sup>

<i>(in thousands of Canadian dollars, unaudited)</i>	Q2 FY2025	Q2 FY2024	Vs. Q2 FY2024
<b>Canada cannabis</b>			
Canadian adult-use cannabis <sup>5</sup>	\$18,388	\$24,087	(24%)
Canada medical cannabis <sup>6</sup>	\$18,689	\$16,179	16%
	<b>\$37,077</b>	<b>\$40,266</b>	<b>(8%)</b>
<b>International markets cannabis<sup>7</sup></b>	<b>\$10,060</b>	<b>\$8,977</b>	<b>12%</b>
<b>Storz &amp; Bickel</b>	<b>\$15,854</b>	<b>\$11,991</b>	<b>32%</b>
<b>This Works</b>	<b>\$-</b>	<b>\$7,074</b>	<b>(100%)</b>
<b>Other</b>	<b>\$-</b>	<b>\$1,287</b>	<b>(100%)</b>
<b>Net revenue</b>	<b>\$62,991</b>	<b>\$69,595</b>	<b>(9%)</b>

The Q2 FY2025 and Q2 FY2024 financial results presented in this press release have been prepared in accordance with U.S. GAAP.

### Webcast and Conference Call Information

The Company will host a conference call and audio webcast with David Klein, CEO and Judy Hong, CFO at 10:00 AM Eastern Time on Friday, November 8, 2024.

#### Webcast Information

A live audio webcast will be available at: <https://app.webinar.net/NXnR9dNYmPl>.

#### Replay Information

A replay will be accessible by webcast until 11:59 PM ET on February 6, 2025 at: <https://app.webinar.net/NXnR9dNYmPl>.

### Non-GAAP Measures

Adjusted EBITDA is a non-GAAP measure used by management that is not defined by U.S. GAAP and may not be comparable to similar measures presented by other companies. Management believes Adjusted EBITDA is a useful measure for investors because it provides meaningful and useful financial information, as this measure demonstrates the operating performance of businesses. Adjusted EBITDA is calculated as the reported net income (loss), adjusted to exclude income tax recovery (expense); other income (expense), net; loss on equity method investments; share-based compensation expense; depreciation and amortization expense; asset impairment and restructuring costs; restructuring costs recorded in cost of goods sold; and charges related to the flow-through of inventory step-up on business combinations, and further adjusted to remove acquisition, divestiture, and other costs. Asset impairments related to periodic changes to the Company's supply chain processes are not excluded from Adjusted EBITDA given their occurrence through the normal course of core operational activities. The Adjusted EBITDA reconciliation is presented within this news release and explained in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024 (the "Form 10-Q") filed with the Securities and Exchange Commission ("SEC").

Free cash flow is a non-GAAP measure used by management that is not defined by U.S. GAAP and may not be comparable to similar measures presented by other companies. Management believes that Free Cash Flow presents meaningful information regarding the amount of cash flow required to maintain and organically expand our business, and that the Free Cash Flow measure provides meaningful information regarding the Company's liquidity requirements. This measure is calculated as net cash provided by (used in) operating activities less purchases of and deposits on property, plant and equipment. The free cash flow reconciliation is presented within this news release and explained in the Form 10-Q filed with the SEC.

Adjusted gross margin and adjusted gross margin percentage are non-GAAP measures used by management that are not defined by U.S. GAAP and may not be comparable to similar measures presented by other companies. Management believes that Adjusted Gross Margin presents meaningful and useful financial information as this measure provides insights into the gross margin performance of the business. Adjusted gross margin is calculated as gross margin excluding restructuring and other charges recorded in cost of goods sold, and charges related to the flow-through of inventory step-up on business combinations. Adjusted gross margin percentage is calculated as adjusted gross margin divided by net revenue. The adjusted gross margin and adjusted gross margin percentage reconciliation is presented within this news release and explained in the Form 10-Q filed with the SEC.

<sup>4</sup> In Q2 FY2025, we are reporting our financial results for the following four reportable segments: (i) Canada cannabis; (ii) international markets cannabis; (iii) Storz & Bickel; and (iv) This Works. On December 18, 2023, the Company completed the sale of This Works and as of such date, the results of This Works are no longer included in the Company's financial results.

<sup>5</sup> For Q2 FY2025, amount is net of excise taxes of \$8.9MM and other revenue adjustments of \$1.3MM (Q2 FY2024 - \$10.8MM and \$0.5MM, respectively).

<sup>6</sup> For Q2 FY2025, amount is net of excise taxes of \$2.1MM (Q2 FY2024 - \$1.7MM).

<sup>7</sup> For Q2 FY2025, amount reflects other revenue adjustments of \$nil (Q2 FY2024 - \$0.1MM).

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## About Canopy Growth

Canopy Growth is a world leading cannabis company dedicated to unleashing the power of cannabis to improve lives.

Through an unwavering commitment to our consumers, Canopy Growth delivers innovative products with a focus on premium and mainstream cannabis brands including Doja, 7ACRES, Tweed, and Deep Space, in addition to category defining vaporizer technology made in Germany by Storz & Bickel.

Canopy Growth has also established a comprehensive ecosystem to realize the opportunities presented by the U.S. THC market through an unconsolidated, non-controlling interest in Canopy USA. Canopy USA has closed the acquisitions of approximately 77% of the shares of Jetty and 100% of Wana. Jetty owns and operates Jetty Extracts, a California-based producer of high-quality cannabis extracts and pioneer of clean vape technology, and Wana is a leading North American edibles brand. The option to acquire Acreage, a vertically integrated multi-state cannabis operator with principal operations in densely populated states across the Northeast and Midwest, has also been exercised.

Beyond its world-class products, Canopy Growth is leading the industry forward through a commitment to social equity, responsible use, and community reinvestment – pioneering a future where cannabis is understood and welcomed for its potential to help achieve greater well-being and life enhancement.

For more information visit [www.canopygrowth.com](http://www.canopygrowth.com).

## Notice Regarding Forward Looking Statements

This press release contains “forward-looking statements” within the meaning of applicable securities laws, which involve certain known and unknown risks and uncertainties. To the extent any forward-looking statements in this news release constitutes “financial outlooks” within the meaning of applicable Canadian securities laws, the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such financial outlooks. Forward-looking statements predict or describe our future operations, business plans, business and investment strategies and the performance of our investments. These forward-looking statements are generally identified by their use of such terms and phrases as “intend,” “goal,” “strategy,” “estimate,” “expect,” “project,” “projections,” “forecasts,” “plans,” “seeks,” “anticipates,” “potential,” “proposed,” “will,” “should,” “could,” “would,” “may,” “likely,” “designed to,” “foreseeable future,” “believe,” “scheduled” and other similar expressions. Our actual results or outcomes may differ materially from those anticipated. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statement was made.

Forward-looking statements include, but are not limited to, statements with respect to:

- laws and regulations and any amendments thereto applicable to our business and the impact thereof, including uncertainty regarding the application of U.S. state and federal law to hemp (including CBD) products and the scope of any regulations by the U.S. Food and Drug Administration, the U.S. Drug Enforcement Administration, the U.S. Federal Trade Commission, the U.S. Patent and Trademark Office, the U.S. Department of Agriculture and any state equivalent regulatory agencies over hemp (including CBD) products;
- expectations regarding the amount or frequency of impairment losses, including as a result of the write-down of intangible assets, including goodwill;
- our ability to refinance debt as and when required on terms favorable to us and comply with covenants contained in our debt facilities and debt instruments;
- the impacts of the Company’s strategy to accelerate entry into the U.S. cannabis market through the creation of Canopy USA, including the costs and benefits associated with the amendments made to the Canopy USA structure to facilitate the deconsolidation of the financial results of Canopy USA within the Company’s financial statements;
- expectations for Canopy USA to capitalize on the opportunity for growth in the United States cannabis sector and the anticipated benefits of such strategy;



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- the timing and outcome of the floating share arrangement, whereby, subject to the terms and conditions of a floating share arrangement agreement (the "Floating Share Arrangement Agreement"), Canopy USA is expected to acquire all of the issued and outstanding Class D subordinate voting shares (the "Floating Shares") of Acreage by way of a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia) (the "Floating Share Arrangement") in exchange for 0.045 of a Company common share for each Floating Share Held, the anticipated benefits of the Floating Share Arrangement, the anticipated timing and occurrence of closing the acquisition of the Class E subordinate voting shares (the "Fixed Shares") of Acreage pursuant to the exercise of the option to acquire the issued and outstanding Fixed Shares of Acreage Option, the anticipated timing and occurrence of the acquisition of the Floating Shares by Canopy USA, the satisfaction or waiver of the closing conditions set out in the Floating Share Arrangement Agreement (as defined below) and the arrangement agreement dated April 18, 2019, as amended on May 15, 2019, September 23, 2020 and November 17, 2020 (the "the Existing Acreage Arrangement Agreement"), including receipt of all regulatory approvals;
- the timing and occurrence of the final tranche closing in connection with the acquisition of Jetty pursuant to the exercise of the option to acquire Jetty;
- the issuance of additional common shares of the Company (each whole share, a "Canopy Share" or a "Share") to satisfy the payments to eligible participants to the existing tax receivable bonus plans of High Street Capital Partners, LLC, a subsidiary of Acreage, to satisfy any deferred and/or option exercise payments to the shareholders of Wana and Jetty and the issuance of additional non-voting and non-participating shares in the capital of Canopy USA issuable to Canopy Growth from Canopy USA in consideration thereof;
- the acquisition of additional Class A shares of Canopy USA in connection with the investment in Canopy USA by the Huneus 2017 Irrevocable Trust (the "Trust") in the aggregate amount of up to US\$20 million (the "Trust Transaction"), including any warrants of Canopy USA issued to the Trust in accordance with the share purchase agreement entered into by the Trust and Canopy USA;
- the potential further extension to the maturity date of the Company's credit facility and the timing and occurrence of the optional prepayment of such credit facility in connection with the amendment to the credit agreement;
- expectations regarding the potential success of, and the costs and benefits associated with, our acquisitions, strategic alliances, equity investments and dispositions;
- the grant, renewal and impact of any license or supplemental license to conduct activities with cannabis or any amendments thereof;
- our international activities, including required regulatory approvals and licensing, anticipated costs and timing, and expected impact;
- our ability to successfully create and launch brands and further create, launch and scale cannabis-based products and hemp-derived consumer products in jurisdictions where such products are legal and that we currently operate in;
- the benefits, viability, safety, efficacy, dosing and social acceptance of cannabis, including CBD and other cannabinoids;
- our ability to maintain effective internal control over financial reporting;
- our ability to continue as a going concern;
- expectations regarding the use of proceeds of equity financings;
- the legalization of the use of cannabis for medical or adult-use in jurisdictions outside of Canada, the related timing and impact thereof and our intentions to participate in such markets, if and when such use is legalized;
- our ability to execute on our strategy and the anticipated benefits of such strategy;
- the ongoing impact of the legalization of additional cannabis product types and forms for adult-use in Canada, including federal, provincial, territorial and municipal regulations pertaining thereto, the related timing and impact thereof and our intentions to participate in such markets;
- the ongoing impact of developing provincial, state, territorial and municipal regulations pertaining to the sale and distribution of cannabis, the related timing and impact thereof, as well as the restrictions on federally regulated cannabis producers participating in certain retail markets and our intentions to participate in such markets to the extent permissible;
- the timing and nature of legislative changes in the U.S. regarding the regulation of cannabis including tetrahydrocannabinol;
- the future performance of our business and operations;
- our competitive advantages and business strategies;
- the competitive conditions of the industry;
- the expected growth in the number of customers using our products;

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- our ability or plans to identify, develop, commercialize or expand our technology and research and development initiatives in cannabinoids, or the success thereof;
- expectations regarding revenues, expenses and anticipated cash needs;
- expectations regarding cash flow, liquidity and sources of funding;
- expectations regarding capital expenditures;
- the expansion of our production and manufacturing, the costs and timing associated therewith and the receipt of applicable production and sale licenses;
- expectations with respect to our growing, production and supply chain capacities;
- expectations regarding the resolution of litigation and other legal and regulatory proceedings, reviews and investigations;
- expectations with respect to future production costs;
- expectations with respect to future sales and distribution channels and networks;
- the expected methods to be used to distribute and sell our products;
- our future product offerings;
- the anticipated future gross margins of our operations;
- accounting standards and estimates;
- expectations regarding our distribution network;
- expectations regarding the costs and benefits associated with our contracts and agreements with third parties, including under our third-party supply and manufacturing agreements;
- our ability to comply with the listing requirements of the Nasdaq Stock Market LLC and the Toronto Stock Exchange; and
- expectations on price changes in cannabis markets.

Certain of the forward-looking statements contained herein concerning the industries in which we conduct our business are based on estimates prepared by us using data from publicly available governmental sources, market research, industry analysis and on assumptions based on data and knowledge of these industries, which we believe to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. The industries in which we conduct our business involve risks and uncertainties that are subject to change based on various factors, which are described further below.

The forward-looking statements contained herein are based upon certain material assumptions, including: (i) management's perceptions of historical trends, current conditions and expected future developments; (ii) our ability to generate cash flow from operations; (iii) general economic, financial market, regulatory and political conditions in which we operate; (iv) the production and manufacturing capabilities and output from our facilities, strategic alliances and equity investments; (v) consumer interest in our products; (vi) competition; (vii) anticipated and unanticipated costs; (viii) government regulation of our activities and products including but not limited to the areas of taxation and environmental protection; (ix) the timely receipt of any required regulatory authorizations, approvals, consents, permits and/or licenses; (x) our ability to obtain qualified staff, equipment and services in a timely and cost-efficient manner; (xi) our ability to conduct operations in a safe, efficient and effective manner; (xii) our ability to realize anticipated benefits, synergies or generate revenue, profits or value from our recent acquisitions into our existing operations; and (xiii) other considerations that management believes to be appropriate in the circumstances. While our management considers these assumptions to be reasonable based on information currently available to management, there is no assurance that such expectations will prove to be correct. Financial outlooks, as with forward-looking statements generally, are, without limitation, based on the assumptions and subject to various risks as set out herein. Our actual financial position and results of operations may differ materially from management's current expectations.

By their nature, forward-looking statements are subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of factors, including known and unknown risks, many of which are beyond our control, could cause actual results to differ materially from the forward-looking statements in this press release and other reports we file with, or furnish to, the SEC and other regulatory agencies and made by our directors, officers, other employees and other persons authorized to speak on our behalf. Such factors include, without limitation, our limited operating history; our ability to continue as a going concern; risks that we may be required to write down intangible assets, including goodwill, due to impairment; the adequacy of our capital resources and liquidity, including but not limited to, availability of sufficient cash flow to execute our business plan (either within the expected timeframe or at all); our ability to maintain an effective system of internal control; the diversion of management time on matters related to Canopy USA; the ability of parties to certain transactions to receive, in a timely manner and on satisfactory terms, the necessary regulatory approvals; the risks that the Trust's future ownership interest in Canopy USA is

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not quantifiable, and the Trust may have significant ownership and influence over Canopy USA; the risks relating to the conditions set forth in the Floating Share Arrangement Agreement and the Existing Acreage Arrangement Agreement not being satisfied or waived; the risks related to Acreage's financial statements expressing doubt about its ability to continue as a going concern; the risks in the event that Acreage cannot satisfy its debt obligations as they become due;; volatility in and/or degradation of general economic, market, industry or business conditions; risks relating to our current and future operations in emerging markets; compliance with applicable environmental, economic, health and safety, energy and other policies and regulations and in particular health concerns with respect to vaping and the use of cannabis products in vaping devices; risks and uncertainty regarding future product development; changes in regulatory requirements in relation to our business and products; our reliance on licenses issued by and contractual arrangements with various federal, state and provincial governmental authorities; inherent uncertainty associated with projections; future levels of revenues and the impact of increasing levels of competition; third-party manufacturing risks; third-party transportation risks; inflation risks; our exposure to risks related to an agricultural business, including wholesale price volatility and variable product quality; changes in laws, regulations and guidelines and our compliance with such laws, regulations and guidelines; risks relating to inventory write downs; risks relating to our ability to refinance debt as and when required on terms favorable to us and to comply with covenants contained in our debt facilities and debt instruments; risks associated with jointly owned investments; our ability to manage disruptions in credit markets or changes to our credit ratings; the success or timing of completion of ongoing or anticipated capital or maintenance projects; risks related to the integration of acquired businesses; the timing and manner of the legalization of cannabis in the United States; business strategies, growth opportunities and expected investment; counterparty risks and liquidity risks that may impact our ability to obtain loans and other credit facilities on favorable terms; the potential effects of judicial, regulatory or other proceedings, litigation or threatened litigation or proceedings, or reviews or investigations, on our business, financial condition, results of operations and cash flows; risks associated with divestment and restructuring; the anticipated effects of actions of third parties such as competitors, activist investors or federal, state, provincial, territorial or local regulatory authorities, self-regulatory organizations, plaintiffs in litigation or persons threatening litigation; consumer demand for cannabis and hemp products; the implementation and effectiveness of key personnel changes; risks related to stock exchange restrictions; risks related to the protection and enforcement of our intellectual property rights; the risks related to our exchangeable shares (the "Exchangeable Shares") having different rights from our common shares and there may never be a trading market for the Exchangeable Shares; future levels of capital, environmental or maintenance expenditures, general and administrative and other expenses; and the factors discussed under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2024 and in Item 1A of Part II of the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2024 to be filed with the SEC. Readers are cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements.

Forward-looking statements are provided for the purposes of assisting the reader in understanding our financial performance, financial position and cash flows as of and for periods ended on certain dates and to present information about management's current expectations and plans relating to the future, and the reader is cautioned that the forward-looking statements may not be appropriate for any other purpose. While we believe that the assumptions and expectations reflected in the forward-looking statements are reasonable based on information currently available to management, there is no assurance that such assumptions and expectations will prove to have been correct. Forward-looking statements are made as of the date they are made and are based on the beliefs, estimates, expectations and opinions of management on that date. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking statements, except as required by law. The forward-looking statements contained in this press release and other reports we file with, or furnish to, the SEC and other regulatory agencies and made by our directors, officers, other employees and other persons authorized to speak on our behalf are expressly qualified in their entirety by these cautionary statements.

# CANOPY GROWTH REPORTS SECOND QUARTER FISCAL 2025 FINANCIAL RESULTS

## Schedule 1

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

	September 30, 2024	March 31, 2024
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 228,416	\$ 170,300
Short-term investments	2,805	33,161
Restricted short-term investments	7,490	7,310
Amounts receivable, net	41,860	51,847
Inventory	90,094	77,292
Assets of discontinued operations	-	8,038
Prepaid expenses and other assets	21,000	23,232
Total current assets	391,665	371,180
Equity method investments	136,377	-
Other financial assets	242,145	437,629
Property, plant and equipment	303,165	320,103
Intangible assets	95,386	104,053
Goodwill	44,531	43,239
Other assets	19,079	24,126
Total assets	<u>\$ 1,232,348</u>	<u>\$ 1,300,330</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 18,364	\$ 28,673
Other accrued expenses and liabilities	42,736	54,039
Current portion of long-term debt	137,918	103,935
Other liabilities	82,266	48,068
Total current liabilities	281,284	234,715
Long-term debt	415,932	493,294
Other liabilities	25,464	71,814
Total liabilities	722,680	799,823
Commitments and contingencies		
Canopy Growth Corporation shareholders' equity:		
Share capital		
Common shares - \$nil par value; Authorized - unlimited; Issued and outstanding - 93,863,960 shares and 91,115,501 shares, respectively.		
Exchangeable shares - \$nil par value; Authorized - unlimited; Issued and outstanding - 26,261,474 shares and nil shares, respectively.	8,490,670	8,244,301
Additional paid-in capital	2,620,491	2,602,148
Accumulated other comprehensive loss	(16,032)	(16,051)
Deficit	(10,585,461)	(10,330,030)
Total Canopy Growth Corporation shareholders' equity	509,668	500,368
Noncontrolling interests	-	139
Total shareholders' equity	509,668	500,507
Total liabilities and shareholders' equity	<u>\$ 1,232,348</u>	<u>\$ 1,300,330</u>



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## Schedule 2

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

	<b>Three months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Revenue	\$ 73,958	\$ 82,076
Excise taxes	10,967	12,481
Net revenue	62,991	69,595
Cost of goods sold	41,153	46,169
Gross margin	21,838	23,426
Operating expenses		
Selling, general and administrative expenses	41,730	57,611
Share-based compensation	5,221	2,717
Loss (gain) on asset impairment and restructuring	20,830	(29,895)
Total operating expenses	67,781	30,433
Operating loss from continuing operations	(45,943)	(7,007)
Other income (expense), net	(85,305)	(128,334)
Loss from continuing operations before income taxes	(131,248)	(135,341)
Income tax expense	(302)	(12,821)
Net loss from continuing operations	(131,550)	(148,162)
Discontinued operations, net of income tax	3,257	(176,638)
Net loss	(128,293)	(324,800)
Discontinued operations attributable to noncontrolling interests and redeemable noncontrolling interest	-	(14,786)
Net loss attributable to Canopy Growth Corporation	\$ (128,293)	\$ (310,014)
<b>Basic and diluted loss per share<sup>1</sup></b>		
Continuing operations	\$ (1.52)	\$ (2.07)
Discontinued operations	0.04	(2.26)
Basic and diluted loss per share	\$ (1.48)	\$ (4.33)
Basic and diluted weighted average common shares outstanding <sup>1</sup>	86,827,991	71,629,443

<sup>1</sup> Prior year share and per share amounts have been retrospectively adjusted to reflect the Share Consolidation, which became effective on December 15, 2023.

# CANOPY GROWTH REPORTS SECOND QUARTER FISCAL 2025 FINANCIAL RESULTS

## Schedule 3

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

	Six months ended September 30,	
	2024	2023
<b>Cash flows from operating activities:</b>		
Net loss	\$ (255,431)	\$ (366,661)
Gain (loss) from discontinued operations, net of income tax	5,310	(207,930)
Net loss from continuing operations	(260,741)	(158,731)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation of property, plant and equipment	10,628	16,568
Amortization of intangible assets	10,709	13,073
Share-based compensation	9,372	6,434
Loss (gain) on asset impairment and restructuring	18,768	(25,986)
Income tax expense	6,496	14,839
Non-cash fair value adjustments and charges related to settlement of long-term debt	147,290	44,438
Change in operating assets and liabilities, net of effects from purchases of businesses:		
Amounts receivable	3,892	(12,903)
Inventory	(11,972)	(4,240)
Prepaid expenses and other assets	(5,643)	(250)
Accounts payable and accrued liabilities	(22,000)	(13,038)
Other, including non-cash foreign currency	(12,431)	(52,817)
Net cash used in operating activities - continuing operations	(105,632)	(172,613)
Net cash used in operating activities - discontinued operations	-	(54,709)
Net cash used in operating activities	(105,632)	(227,322)
<b>Cash flows from investing activities:</b>		
Purchases of and deposits on property, plant and equipment	(6,509)	(2,636)
Purchases of intangible assets	(14)	(803)
Proceeds on sale of property, plant and equipment	4,932	152,417
Redemption of short-term investments	30,184	81,015
Net cash outflow on sale or deconsolidation of subsidiaries	(6,968)	-
Net cash inflow on loan receivable	28,303	831
Investment in other financial assets	(95,335)	(472)
Other investing activities	-	(10,513)
Net cash (used in) provided by investing activities - continuing operations	(45,407)	219,839
Net cash provided by (used in) investing activities - discontinued operations	13,414	(17,122)
Net cash (used in) provided by investing activities	(31,993)	202,717
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of common shares and warrants	138,476	33,795
Proceeds from exercise of stock options	112	-
Proceeds from exercise of warrants	8,454	-
Issuance of long-term debt and convertible debentures	68,255	-
Repayment of long-term debt	(13,484)	(415,185)
Other financing activities	(7,096)	(25,908)
Net cash provided by (used in) financing activities	194,717	(407,298)
Effect of exchange rate changes on cash and cash equivalents	1,024	(2,129)
Net increase (decrease) in cash and cash equivalents	58,116	(434,032)
Cash and cash equivalents, beginning of period <sup>1</sup>	170,300	677,007
Cash and cash equivalents, end of period <sup>2</sup>	\$ 228,416	\$ 242,975

<sup>1</sup> Includes cash of our discontinued operations of \$nil and \$9,314 for March 31, 2024 and 2023, respectively.

<sup>2</sup> Includes cash of our discontinued operations of \$nil and \$2,599 for September 30, 2024 and 2023, respectively.

## CANOPY GROWTH REPORTS SECOND QUARTER FISCAL 2025 FINANCIAL RESULTS

### Schedule 4

#### Adjusted Gross Margin<sup>1</sup> Reconciliation (Non-GAAP Measure)

(in thousands of Canadian dollars except where indicated; unaudited)	Three months ended September 30,	
	2024	2023
Net revenue	\$ 62,991	\$ 69,595
Gross margin, as reported	21,838	23,426
Adjustments to gross margin:		
Restructuring costs recorded in cost of goods sold	-	(689)
Adjusted gross margin <sup>1</sup>	\$ 21,838	\$ 22,737
Adjusted gross margin percentage <sup>1</sup>	35%	33%

<sup>1</sup> Adjusted gross margin and adjusted gross margin percentage are non-GAAP measures. See "Non-GAAP Measures".

## CANOPY GROWTH REPORTS SECOND QUARTER FISCAL 2025 FINANCIAL RESULTS

### Schedule 5

#### Adjusted EBITDA<sup>1</sup> Reconciliation (Non-GAAP Measure)

	Three months ended September 30,	
	2024	2023
<i>(in thousands of Canadian dollars, unaudited)</i>		
Net loss from continuing operations	\$ (131,550)	\$ (148,162)
Income tax expense	302	12,821
Other (income) expense, net	85,305	128,334
Share-based compensation	5,221	2,717
Acquisition, divestiture, and other costs	4,078	10,488
Depreciation and amortization	10,307	12,530
Loss (gain) on asset impairment and restructuring	20,830	(29,895)
Restructuring costs recorded in cost of goods sold	-	(689)
Adjusted EBITDA <sup>1</sup>	\$ (5,507)	\$ (11,856)

<sup>1</sup>Adjusted EBITDA is a non-GAAP measure. See "Non-GAAP Measures".



## CANOPY GROWTH REPORTS SECOND QUARTER FISCAL 2025 FINANCIAL RESULTS

### Schedule 6

#### Free Cash Flow<sup>1</sup> Reconciliation (Non-GAAP Measure)

*(in thousands of Canadian dollars, unaudited)*

	Three months ended September 30,	
	2024	2023
Net cash used in operating activities - continuing operations	\$ (53,852)	\$ (66,393)
Purchases of and deposits on property, plant and equipment - continuing operations	(2,589)	(690)
Free cash flow <sup>1</sup> - continuing operations	<u>\$ (56,441)</u>	<u>\$ (67,083)</u>

<sup>1</sup>Free cash flow is a non-GAAP measure. See "Non-GAAP Measures".

# CANOPY GROWTH REPORTS SECOND QUARTER FISCAL 2025 FINANCIAL RESULTS

## Schedule 7

### Segmented Gross Margin and Segmented Adjusted Gross Margin<sup>1</sup> Reconciliation (Non-GAAP Measure)

(in thousands of Canadian dollars except where indicated; unaudited)

	Three months ended September 30,	
	2024	2023
<b>Canada cannabis segment</b>		
Net revenue	\$ 37,077	\$ 40,266
Gross margin, as reported	11,950	14,302
Gross margin percentage, as reported	32%	36%
Adjustments to gross margin:		
Restructuring costs recorded in cost of goods sold	-	(689)
Adjusted gross margin <sup>1</sup>	\$ 11,950	\$ 13,613
Adjusted gross margin percentage <sup>1</sup>	32%	34%
<b>International markets cannabis segment</b>		
Revenue	\$ 10,060	\$ 8,977
Gross margin, as reported	4,740	2,691
Gross margin percentage, as reported	47%	30%
Adjusted gross margin <sup>1</sup>	\$ 4,740	\$ 2,691
Adjusted gross margin percentage <sup>1</sup>	47%	30%
<b>Storz &amp; Bickel segment</b>		
Revenue	\$ 15,854	\$ 11,991
Gross margin, as reported	5,148	3,918
Gross margin percentage, as reported	32%	33%
Adjusted gross margin <sup>1</sup>	\$ 5,148	\$ 3,918
Adjusted gross margin percentage <sup>1</sup>	32%	33%
<b>This Works segment</b>		
Revenue	\$ -	\$ 7,074
Gross margin, as reported	-	3,386
Gross margin percentage, as reported	0%	48%
Adjusted gross margin <sup>1</sup>	\$ -	\$ 3,386
Adjusted gross margin percentage <sup>1</sup>	0%	48%
<b>Other</b>		
Revenue	\$ -	\$ 1,287
Gross margin, as reported	-	(871)
Gross margin percentage, as reported	0%	(68%)
Adjusted gross margin <sup>1</sup>	\$ -	\$ (871)
Adjusted gross margin percentage <sup>1</sup>	0%	(68%)

<sup>1</sup> Adjusted gross margin and adjusted gross margin percentage are non-GAAP measures. See "Non-GAAP Measures".