

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-38496

Canopy Growth Corporation

(Exact name of registrant as specified in its charter)

Canada

(State or other jurisdiction of
incorporation or organization)

1 Hershey Drive

Smiths Falls, Ontario

(Address of principal executive offices)

N/A

(I.R.S. Employer
Identification No.)

K7A 0A8

(Zip Code)

Registrant's telephone number, including area code: (855) 558-9333

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common shares, no par value	CGC	NASDAQ Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 7, 2025, there were 239,849,225 common shares of the registrant outstanding and 26,261,474 non-voting and non-participating exchangeable shares of the registrant outstanding which are convertible at any time, at the option of the holder, into common shares of the registrant on a one for one basis.

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Unless otherwise noted or the context indicates otherwise, references in this Quarterly Report on Form 10-Q (“Quarterly Report”) to the “Company,” “Canopy Growth,” “we,” “us” and “our” refer to Canopy Growth Corporation and its direct and indirect wholly-owned subsidiaries and investments accounted for by the equity method; the term “cannabis” means the plant of any species or subspecies of genus *Cannabis* and any part of that plant, including all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers; and the term “hemp” has the meaning given to such term in the U.S. Agricultural Improvement Act of 2018, including hemp-derived cannabidiol.

This Quarterly Report contains references to our trademarks and trade names and to trademarks and trade names belonging to other entities. Solely for convenience, trademarks and trade names referred to in this Quarterly Report may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend our use or display of other companies’ trademarks or trade names to imply a relationship with, or endorsement or sponsorship of us or our business by, any other companies.

All currency amounts in this Quarterly Report are stated in Canadian dollars, which is our reporting currency, unless otherwise noted. All references to “dollars” or “CDN\$” are to Canadian dollars and all references to “US\$” are to U.S. dollars.

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)

	June 30, 2025	March 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 126,202	\$ 113,811
Short-term investments	17,427	17,656
Restricted short-term investments	5,828	6,410
Amounts receivable, net	50,033	52,780
Inventory	93,821	96,373
Prepaid expenses and other assets	10,048	7,544
Total current assets	303,359	294,574
Other investments	161,900	179,977
Property, plant and equipment	291,274	293,523
Intangible assets	84,330	87,200
Goodwill	47,377	46,042
Other assets	16,431	16,385
Total assets	<u>\$ 904,671</u>	<u>\$ 917,701</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 24,078	\$ 26,099
Other accrued expenses and liabilities	46,535	38,613
Current portion of long-term debt	6,306	4,258
Other liabilities	21,750	25,434
Total current liabilities	98,669	94,404
Long-term debt	288,997	299,811
Other liabilities	28,029	36,273
Total liabilities	415,695	430,488
Commitments and contingencies		
Canopy Growth Corporation shareholders' equity:		
Share capital		
Common shares - \$nil par value; Authorized - unlimited; Issued and outstanding - 205,147,235 shares and 183,865,295 shares, respectively.		
Exchangeable shares - \$nil par value; Authorized - unlimited; Issued and outstanding - 26,261,474 shares and 26,261,474 shares, respectively.	8,836,531	8,796,406
Additional paid-in capital	2,614,869	2,618,417
Accumulated other comprehensive loss	7,248	535
Deficit	(10,969,672)	(10,928,145)
Total shareholders' equity	488,976	487,213
Total liabilities and shareholders' equity	<u>\$ 904,671</u>	<u>\$ 917,701</u>

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

(in thousands of Canadian dollars, except number of shares and per share data, unaudited)

	Three months ended June 30,	
	2025	2024
Revenue	\$ 88,748	\$ 75,783
Excise taxes	16,614	9,571
Net revenue	72,134	66,212
Cost of goods sold	54,096	43,181
Gross margin	18,038	23,031
Operating expenses		
Selling, general and administrative expenses	38,108	47,968
Share-based compensation	(99)	4,151
Loss on asset impairment and restructuring	2,653	20
Total operating expenses	40,662	52,139
Operating loss from continuing operations	(22,624)	(29,108)
Other income (expense), net	(18,612)	(93,889)
Loss from continuing operations before income taxes	(41,236)	(122,997)
Income tax expense	(291)	(6,194)
Net loss from continuing operations	(41,527)	(129,191)
Discontinued operations, net of income tax	-	2,053
Net loss attributable to Canopy Growth Corporation	<u>\$ (41,527)</u>	<u>\$ (127,138)</u>
Basic and diluted loss per share		
Continuing operations	\$ (0.22)	\$ (1.63)
Discontinued operations	-	0.03
Basic and diluted loss per share	<u>\$ (0.22)</u>	<u>\$ (1.60)</u>
Basic and diluted weighted average common shares outstanding	188,321,555	79,243,020
Comprehensive income (loss):		
Net loss from continuing operations	\$ (41,527)	\$ (129,191)
Other comprehensive income (loss), net of income tax		
Foreign currency translation	6,713	(768)
Total other comprehensive income (loss), net of income tax	6,713	(768)
Comprehensive loss from continuing operations	(34,814)	(129,959)
Comprehensive income (loss) from discontinued operations	-	2,053
Comprehensive loss attributable to Canopy Growth Corporation	<u>\$ (34,814)</u>	<u>\$ (127,906)</u>

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)

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

	Three months ended June 30, 2025						
	Additional paid-in capital				Accumulated other comprehensive income (loss)	Deficit	Total
	Share capital	Share-based reserve	Warrants	Ownership changes			
Balance at March 31, 2025	\$ 8,796,406	\$ 513,229	\$ 2,628,137	\$ (522,949)	\$ 535	\$ (10,928,145)	\$ 487,213
Common shares issued from February 2025 ATM Program	38,261	-	-	-	-	-	38,261
Other issuances of common shares and share issue costs	(1,585)	-	-	-	-	-	(1,585)
Share-based compensation	-	(99)	-	-	-	-	(99)
Issuance and vesting of restricted share units and performance share units	3,449	(3,449)	-	-	-	-	-
Comprehensive income (loss)	-	-	-	-	6,713	(41,527)	(34,814)
Balance at June 30, 2025	<u>\$ 8,836,531</u>	<u>\$ 509,681</u>	<u>\$ 2,628,137</u>	<u>\$ (522,949)</u>	<u>\$ 7,248</u>	<u>\$ (10,969,672)</u>	<u>\$ 488,976</u>

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

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

	Three months ended June 30, 2024							
	Additional paid-in capital				Accumulated other comprehensive income (loss)	Deficit	Noncontrolling interests	Total
	Share capital	Share-based reserve	Warrants	Ownership changes				
Balance at March 31, 2024	\$ 8,244,301	\$ 514,578	\$ 2,610,519	\$ (522,949)	\$ (16,051)	\$ (10,330,030)	\$ 139	\$ 500,507
Common shares issued from June 2024 ATM Program	46,291	-	-	-	-	-	-	46,291
Other issuances of common shares and share issue costs	(3,189)	-	-	-	-	-	-	(3,189)
Exercise of warrants	10,265	-	(2,702)	-	-	-	-	7,563
Share-based compensation	-	4,151	-	-	-	-	-	4,151
Issuance and vesting of restricted share units and performance share units	2,596	(2,596)	-	-	-	-	-	-
Extinguishment of promissory note and issuance of exchangeable shares	81,220	8,005	-	-	(15,127)	-	-	74,098
Canopy USA Transaction	12,452	-	-	-	10,398	-	(139)	22,711
Supreme debt settlement	-	-	8,697	-	-	-	-	8,697
Comprehensive loss	-	-	-	-	(768)	(127,138)	-	(127,906)
Balance at June 30, 2024	\$ 8,393,936	\$ 524,138	\$ 2,616,514	\$ (522,949)	\$ (21,548)	\$ (10,457,168)	\$ -	\$ 532,923

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

	Three months ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (41,527)	\$ (127,138)
Gain from discontinued operations, net of income tax	-	2,053
Net loss from continuing operations	(41,527)	(129,191)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation of property, plant and equipment	4,753	5,682
Amortization of intangible assets	4,917	5,348
Share-based compensation	(99)	4,151
Loss on asset impairment and restructuring	109	86
Income tax expense	291	6,194
Non-cash fair value adjustments and charges related to settlement of long-term debt	10,049	79,793
Change in operating assets and liabilities, net of effects from purchases of businesses:		
Amounts receivable	2,915	668
Inventory	2,838	(7,008)
Prepaid expenses and other assets	(2,668)	(185)
Accounts payable and accrued liabilities	5,184	(5,911)
Other, including non-cash foreign currency	2,901	(11,407)
Net cash used in operating activities	(10,337)	(51,780)
Cash flows from investing activities:		
Purchases of and deposits on property, plant and equipment	(1,306)	(3,920)
Purchases of intangible assets	(183)	(14)
Proceeds on sale of property, plant and equipment	5	4,926
Redemption of short-term investments	779	30,022
Net cash outflow on sale or deconsolidation of subsidiaries	-	(6,968)
Net cash inflow on loan receivable	-	28,103
Investment in other financial assets	-	(95,335)
Net cash used in investing activities - continuing operations	(705)	(43,186)
Net cash provided by investing activities - discontinued operations	-	10,157
Net cash used in investing activities	(705)	(33,029)
Cash flows from financing activities:		
Proceeds from issuance of common shares and warrants	38,261	53,854
Issuance of long-term debt and convertible debentures	-	68,255
Repayment of long-term debt	(916)	(11,836)
Other financing activities	(11,885)	(4,498)
Net cash provided by financing activities	25,460	105,775
Effect of exchange rate changes on cash and cash equivalents	(2,027)	890
Net increase in cash and cash equivalents	12,391	21,856
Cash and cash equivalents, beginning of period	113,811	170,300
Cash and cash equivalents, end of period	\$ 126,202	\$ 192,156

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)

	Three months ended June 30,	
	2025	2024
Supplemental disclosure of cash flow information		
Cash received during the period:		
Income taxes	\$ -	\$ -
Interest	\$ 1,090	\$ 2,091
Cash paid during the period:		
Income taxes	\$ 365	\$ -
Interest	\$ 5,958	\$ 18,199
Noncash investing and financing activities		
Additions to property, plant and equipment	\$ -	\$ 217

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

CANOPY GROWTH CORPORATION
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(in thousands of Canadian dollars, unaudited, unless otherwise indicated)

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-use and medical purposes under a portfolio of distinct brands in Canada pursuant to the *Cannabis Act*, SC 2018, c 16 (the “*Cannabis Act*”), which came into effect on October 17, 2018 and regulates both the medical and adult-use cannabis markets in Canada. The Company has also expanded to jurisdictions outside of Canada where cannabis is federally lawful, permissible and regulated, and the Company, through its subsidiaries, operates in Australia, Germany, and certain other European markets. Additionally, the Company produces, distributes and sells vaporizers and similar cannabis accessories in various global markets, including the United States.

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 the Company's operations across multiple geographies, the majority of its operations are conducted in Canadian dollars and its financial results are prepared and reviewed internally by management in Canadian dollars. The Company's 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 fiscal year ended March 31, 2025 (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.

Going Concern

These condensed interim consolidated financial statements have been prepared in accordance with U.S. GAAP on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

In the Company's consolidated financial statements for the fiscal year ended March 31, 2023, the Company raised substantial doubt about its ability to continue as a going concern for at least twelve months from the issuance of those consolidated financial statements, due to certain material debt obligations coming due in the short-term, recurring losses from operations and additional required financing to fund the Company's business and operations.

As of the date of the Annual Report, the Company has been able to successfully mitigate the substantial doubt by completing several balance sheet actions, as described in the Annual Report. During the three months ended June 30, 2025, the Company experienced recurring losses from operations and required additional capital to fund its operations, which raised substantial doubt about the Company's ability to continue as a going concern. However, the Company also completed additional actions during the three months ended June 30, 2025, which included the sale of additional common shares under the February 2025 ATM Program (as defined below), pursuant to which an aggregate of 21,006,528 common shares of the Company were issued and sold for gross proceeds of approximately \$38,261.

The Company continues to evaluate different strategies and may pursue additional actions that are expected to further increase its liquidity position, including, but not limited to, pursuing additional actions to find cost-savings and seeking additional financing from both the public and private markets through the issuance of equity and/or debt securities. As a result of management's plans above, the financial results of the Company for the three months ended June 30, 2025, and actions taken during the three months

ended June 30, 2025, management concludes that the substantial doubt about the Company's ability to continue as a going concern has been alleviated.

Principles of consolidation

These 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.

Variable interest entities

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

Equity method investments

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

The Company can also elect to account for certain equity method investments at fair value where a valuation technique and various inputs are used in determining the fair value of the equity method investments each period. The fair value changes are recorded in other income (expense), net.

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. Financial statement areas that require significant judgements and estimates are as follows:

Allowance for credit losses - The assessment involves judgement and incorporates estimates of loss based on available information relevant to considering the collectability and includes consideration of economic and business conditions, default trends and other internal and external factors. The amount is subject to change based on experience and new information which could result in outcomes that require adjustment to the carrying amounts affecting future periods.

Inventory reserves - The Company records inventory reserves based on the Company's estimated forecast of product demand, production requirements, market conditions and regulatory environment. Actual losses may differ from management's estimates.

Estimated useful lives, impairment considerations, and amortization of property, plant and equipment and intangible assets - Amortization of capital and intangible assets is dependent upon estimates of useful lives based on management's judgment.

Goodwill and indefinite lived intangible asset impairment testing requires management to make estimates in the impairment testing model. On at least an annual basis, the Company tests whether goodwill and indefinite lived intangible assets are impaired. The reporting unit's fair value is determined using a discounted future cash flow model, which incorporate assumptions regarding future events, specifically future cash flows, growth rates and discount rates.

Impairment of long-lived assets is influenced by judgment in defining an asset group and determining the indicators of impairment, and estimates used to measure impairment losses.

Legal proceedings - Judgement is used in determining the probability of incurring a loss in addition to determining the estimated amount. Amounts recorded are based on management's judgement and actual amounts recorded may not be realized.

Fair value measurement of financial instruments - The use of various valuation approaches described in Note 21 may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

Consolidation of variable interest entities - The determination of whether the Company is the primary beneficiary of a variable interest entity requires significant judgement. The assessment requires a qualitative analysis of power and benefits of the variable interest entity.

New accounting policies

Accounting Guidance Not Yet Adopted

Income Taxes

In December 2023, the Financial Accounting Standards Board (the “FASB”) issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (“ASU 2023-09”), which enhances income tax disclosures, primarily through changes to the rate reconciliation and disaggregation of income taxes paid. ASU 2023-09 is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is evaluating the impact on the consolidated financial statements and expects to implement the provisions of ASU 2023-09 for its fiscal year ending March 31, 2026.

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses (“ASU 2024-03”), which requires the disclosure of additional information related to certain costs and expenses, including amounts of inventory purchases, employee compensation, and depreciation and amortization included in each income statement line item. ASU 2024-03 is effective for annual periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. The Company is evaluating the impact on the consolidated financial statements and expects to implement the provisions of ASU 2024-03 for its fiscal year ending March 31, 2028.

3. CANOPY USA

Canopy USA

On October 24, 2022, Canopy Growth completed a number of strategic transactions (the “Reorganization”) in connection with the creation of Canopy USA, LLC (“Canopy USA”), a U.S.-domiciled holding company wherein, as of October 24, 2022, Canopy USA, holds certain U.S. cannabis investments previously held by Canopy Growth.

Following the creation of Canopy USA, the Nasdaq Stock Market LLC (“Nasdaq”) communicated its position to the Company stating that companies that consolidate “the assets and revenues generated from activities in violation under federal law cannot continue to list on Nasdaq”. Since the Company is committed to compliance with the listing requirements of the Nasdaq, the Company and Canopy USA effectuated certain changes to the initial structure of the Company’s interest in Canopy USA that were intended to facilitate the deconsolidation of the financial results of Canopy USA within the Company’s financial statements. These changes included, among other things, modifying the terms of the Protection Agreement (as defined below) between the Company, its wholly-owned subsidiary and Canopy USA as well as the terms of Canopy USA’s limited liability company agreement and amending the terms of certain agreements with third-party investors in Canopy USA to eliminate any rights to guaranteed returns (collectively, the “Reorganization Amendments”). On May 19, 2023, the Company and Canopy USA implemented the Reorganization Amendments, which included, entering into the First A&R Protection Agreement (as defined below) and amending and restating Canopy USA’s limited liability company agreement (the “A&R LLC Agreement”) in order to: (i) eliminate certain negative covenants that were previously granted by Canopy USA in favor of the Company as well as delegating to the managers of the Canopy USA Board (as defined below) not appointed by Canopy Growth the authority to approve the following key decisions (collectively, the “Key Decisions”): (a) the annual business plan of Canopy USA; (b) decisions regarding the executive officers of Canopy USA and any of its subsidiaries; (c) increasing the compensation, bonus levels or other benefits payable to any current, former or future employees or managers of Canopy USA or any of its subsidiaries; (d) any other executive compensation plan matters of Canopy USA or any of its subsidiaries; and (e) the exercise of the Wana Options (as defined below) or the Jetty Options (as defined below), which for greater certainty means that the Company’s nominee on the Canopy USA Board will not be permitted to vote on any Key Decisions while the Company owns Non-Voting Shares (as defined below); (ii) reduce the number of managers on the Canopy USA Board from four to three, including, reducing the Company’s nomination right to a single manager; (iii) amend the share capital of Canopy USA to, among other things, (a) create a new class of Canopy USA Class B Shares (as defined below), which may not be issued prior to the conversion of the Non-Voting Shares or the Class A shares of Canopy USA (the “Canopy USA Common Shares”) into Canopy USA Class B Shares; (b) amend the terms of the Non-Voting Shares such that the Non-Voting Shares will be convertible into Canopy USA Class B Shares (as opposed to Canopy USA Common Shares); and (c) amend the terms of the Canopy USA Common Shares such that upon conversion of all of the Non-Voting Shares into Canopy USA Class B Shares, the Canopy USA Common Shares will, subject to their terms, automatically convert into Canopy USA Class B Shares, provided that the number of Canopy USA Class B Shares to be issued to the former holders of the Canopy USA Common Shares will be equal to no less than 10% of the total issued and outstanding Canopy USA Class B Shares following such issuance. Accordingly, as a result of the Reorganization Amendments, in no circumstances will the Company, at the time of such conversions, own more than 90% of the Canopy USA Class B Shares.

In connection with the Reorganization Amendments, on May 19, 2023, Canopy USA and Huneeus 2017 Irrevocable Trust (the “Trust”) entered into a share purchase agreement (the “Trust SPA”), which sets out the terms of the Trust’s investment in Canopy USA in the aggregate amount of up to US\$20 million (the “Trust Transaction”). Agustin Huneeus, Jr. is the trustee of the Trust and is an affiliate of a shareholder of Jetty (as defined below). Pursuant to the terms of the Trust SPA, the Trust was entitled, subject to certain terms and conditions contained in the Trust SPA, to be issued Canopy USA Common Shares in two tranches with an aggregate value of up to US\$10 million along with warrants of Canopy USA to acquire additional Canopy USA Common Shares. In addition, subject to the terms of the Trust SPA, the Trust has also been granted options to acquire additional Voting Shares (as defined in the A&R LLC Agreement) with a value of up to an additional US\$10 million and one such additional option includes the issuance of additional warrants of Canopy USA. On April 26, 2024, Canopy USA completed the first tranche closing of the Trust Transaction in accordance with the Trust SPA and pursuant to the Trust SPA, the timeline to complete the second tranche closing has lapsed and was not exercised by the Trust. As of June 30, 2025, the Trust holds an aggregate 28,571,429 Canopy USA Common Shares and warrants to acquire up to 85,714,284 Voting Shares expiring on April 26, 2031.

In addition, subject to the terms and conditions of the A&R Protection Agreement (as defined below) and the terms of the option agreements to acquire Wana (as defined below) and Jetty, as applicable, Canopy Growth may be required to issue additional common shares in satisfaction of certain deferred and/or option exercise payments to the shareholders of Wana and Jetty. Canopy Growth will receive additional Non-Voting Shares from Canopy USA as consideration for any Company common shares issued in the future to the shareholders of Wana and Jetty.

On November 3, 2023, the Company received a letter from the staff of the SEC (the “Staff”) in which the Staff indicated that, despite the Reorganization Amendments, it would object to the deconsolidation of the financial results of Canopy USA from the Company’s financial statements in accordance with U.S. GAAP once Canopy USA acquires Wana, Jetty or the Fixed Shares (as defined below) of Acreage Holdings, Inc. (“Acreage”). The Company subsequently had discussions with the Office of Chief Accountant of the SEC (the “OCA”) and determined to make certain additional amendments to the structure of Canopy USA (the “Additional Reorganization Amendments”) to facilitate the deconsolidation of Canopy USA from the financial results of Canopy Growth in accordance with U.S. GAAP upon Canopy USA’s acquisition of Wana, Jetty or Acreage. In connection with the Additional Reorganization Amendments, Canopy USA and its members entered into a second amended and restated limited liability company agreement (the “Second A&R LLC Agreement”). In accordance with the terms of the Second A&R LLC Agreement, the terms of the Non-Voting Shares have been amended such that the Non-Voting Shares are only convertible into Canopy USA Class B Shares following the date that the NASDAQ Stock Market or The New York Stock Exchange permit the listing of companies that consolidate the financial statements of companies that cultivate, distribute or possess marijuana (as defined in 21 U.S.C 802) in the United States (the “Stock Exchange Permissibility Date”). Based on the Company’s discussions with the OCA, upon effectuating the Additional Reorganization Amendments, the Company believes that the Staff would not object to the deconsolidation of the financial results of Canopy USA from the Company’s financial statements in accordance with U.S. GAAP.

Following the Reorganization, Reorganization Amendments and Additional Reorganization Amendments, on May 6, 2024, Canopy USA exercised the options (the “Wana Options”) to acquire Mountain High Products, LLC, Wana Wellness, LLC and The Cima Group, LLC (collectively, “Wana”), a leading cannabis edibles brand in North America, and subsequently closed the transactions to acquire Wana Wellness, LLC and The Cima Group, LLC. On October 8, 2024, Canopy USA closed the acquisition of Mountain High Products, LLC. In addition, Canopy USA exercised the options (the “Jetty Options”) to acquire Lemurian, Inc. (“Jetty”) a California-based producer of high-quality cannabis extracts and pioneer of clean vape technology and subsequently completed the first tranche closing to acquire Jetty. On June 4, 2024, the option to acquire the issued and outstanding Class E subordinate voting shares (the “Fixed Shares”) of Acreage, a leading vertically-integrated multi-state cannabis operator, with its main operations in densely populated states across the Northeast U.S., including New Jersey and New York (the “Acreage Option”) was exercised and on December 9, 2024, Canopy USA completed the acquisition of all of the issued and outstanding Fixed Shares and Class D subordinate voting shares (the “Floating Shares”) of Acreage (the “Acreage Acquisition”). Certain entities controlled by Canopy USA (the “Canopy USA LPs”) also hold direct interests in the capital of TerrAscend Corp. (“TerrAscend”), a leading North American cannabis operator with vertically integrated operations and a presence in Pennsylvania, New Jersey, Michigan and California as well as licensed cultivation and processing operations in Maryland.

Canopy USA and the Canopy USA LPs currently hold an ownership interest in the following assets, among others:

- **Wana** – Canopy USA holds 100% of the membership interests of Wana.
- **Jetty** – Canopy USA holds approximately 77% of the shares of Jetty.
- **Acreage** – Canopy USA holds 100% of the issued and outstanding shares of Acreage.
- **TerrAscend** – the Canopy USA LPs hold an aggregate of 64,564,487 TerrAscend common shares (the “TerrAscend Common Shares”) on an as-converted basis and 22,474,130 TerrAscend Common Share purchase warrants with a weighted average exercise price of \$6.07 per TerrAscend Common Share and expiring on December 31, 2032 (the “TerrAscend Warrants”). Assuming full exercise of the TerrAscend Warrants, the Canopy USA LPs will hold an aggregate of 87,038,617 TerrAscend

Common Shares on an as-converted basis assuming conversion of the TerrAscend exchangeable shares held by the Canopy USA LPs.

Following the implementation of the Reorganization, Canopy USA was determined to be a variable interest entity pursuant to ASC 810 - *Consolidations* (“ASC 810”) and prior to the completion of the Reorganization Amendments and the Additional Reorganization Amendments, Canopy Growth was determined to be the primary beneficiary of Canopy USA. As a result of such determination and in accordance with ASC 810, Canopy Growth consolidated the financial results of Canopy USA up to April 30, 2024.

Ownership of U.S. Cannabis Investments

Following the implementation of the Reorganization, the shares and interests in Acreage, Wana and Jetty are held, directly or indirectly, by Canopy USA and the shares and warrants in TerrAscend are held directly by the Canopy USA LPs, and Canopy Growth no longer holds a direct interest in any shares or interests in such entities. Canopy Growth holds non-voting and non-participating shares (the “Non-Voting Shares”) in the capital of Canopy USA and an interest in the Canopy USA LPs. The Non-Voting Shares do not carry voting rights, rights to receive dividends or other rights upon dissolution of Canopy USA. Following the Reorganization Amendments, the Non-Voting Shares are convertible into Class B shares of Canopy USA (the “Canopy USA Class B Shares”), provided that such conversion shall only be permitted following the Stock Exchange Permissibility Date. The Company also has the right (regardless of the fact that its Non-Voting Shares are non-voting and non-participating) to appoint one member to the Canopy USA board of managers (the “Canopy USA Board”).

On October 24, 2022, Canopy USA and the Company also entered into an agreement with, among others, Nancy Whiteman, the controlling shareholder of Wana, which was amended and restated on May 19, 2023 and on April 30, 2024, whereby subsidiaries of Canopy USA agreed to pay additional consideration in order to acquire the Wana Options and the future payments owed in connection with the exercise of the Wana Options were reduced to US\$3.00 in exchange for the issuance of Canopy USA Common Shares and Canopy Growth common shares (the “Wana Amending Agreement”). In accordance with the terms of the Wana Amending Agreement, on April 30, 2024, (i) Canopy USA issued 60,955,929 Canopy USA Common Shares and (ii) Canopy Growth issued 1,086,279 Canopy Growth common shares to the shareholders of Wana. The Canopy USA Common Shares issued to Ms. Whiteman, or entities controlled by Ms. Whiteman, are subject to a repurchase right exercisable at any time after April 30, 2027, being the 36 month anniversary of the closing of the transaction contemplated by the Wana Amending Agreement (the “Wana Repurchase Right”) to repurchase all Canopy USA Common Shares that have been issued at a price per Canopy USA Common Share equal to the fair market value as determined by an appraiser. As part of this agreement, Canopy USA has granted Ms. Whiteman the right to appoint one member to the Canopy USA Board and a put right on the same terms and conditions as the Wana Repurchase Right.

As of June 30, 2025, the Trust holds 28,571,429 Canopy USA Common Shares, the shareholders of Wana collectively hold 60,955,929 Canopy USA Common Shares and a wholly-owned subsidiary of the Company holds all of the issued and outstanding Non-Voting Shares in the capital of Canopy USA, representing approximately 84.4% of the issued and outstanding shares in Canopy USA on an as-converted basis.

Canopy Growth and Canopy USA are also party to a protection agreement (the “Protection Agreement”) to provide for certain covenants in order to preserve the value of the Non-Voting Shares held by Canopy Growth until such time as the Non-Voting Shares are converted in accordance with their terms, provided that, such conversion shall only be permitted following the Stock Exchange Permissibility Date, but does not provide Canopy Growth with the ability to direct the business, operations or activities of Canopy USA. The Protection Agreement was amended and restated in connection with: (a) the Reorganization Amendments (the “First A&R Protection Agreement”); and (b) the Additional Reorganization Amendments (the “Second A&R Protection Agreement” and together with the First A&R Protection Agreement, the “A&R Protection Agreement”).

Until such time as Canopy Growth converts its Non-Voting Shares into Canopy USA Class B Shares following the Stock Exchange Permissibility Date, Canopy Growth will have no economic or voting interest in Canopy USA or the Canopy USA LPs. Canopy USA will continue to operate independently of Canopy Growth.

Acreage Agreements

On October 24, 2022, Canopy Growth entered into an arrangement agreement with Canopy USA and Acreage, as amended (the “Floating Share Arrangement Agreement”), pursuant to which Canopy USA acquired all of the issued and outstanding Floating Shares by way of a court-approved plan of arrangement (the “Floating Share Arrangement”) in exchange for 0.045 of a Company common share for each Floating Share held. In connection with the Floating Share Arrangement Agreement, Canopy Growth irrevocably waived its right (the “Acreage Floating Option”) to acquire all of the issued and outstanding Floating Shares for cash or common shares or a combination thereof, in Canopy Growth’s sole discretion, pursuant to and in accordance with the terms of the Existing Acreage Arrangement Agreement (as defined below).

On October 24, 2022, the Company and Canopy USA entered into a third amendment to tax receivable agreement (the “Amended TRA”) with, among others, certain current or former unitholders (the “Holders”) of High Street Capital Partners, LLC, a subsidiary of Acreage (“HSCP”), pursuant to HSCP’s amended tax receivable agreement (the “TRA”) and related tax receivable

bonus plans with Acreage. Pursuant to the Amended TRA, the Company, on behalf of Canopy USA, agreed to issue common shares of the Company with a value of US\$30.4 million to certain Holders as consideration for the assignment of such Holder's rights under the TRA to Canopy USA. As a result of the Amended TRA, Canopy USA is the sole member and beneficiary under the TRA. In connection with the foregoing, the Company issued: (i) 564,893 common shares with a value of \$20.6 million (US\$15.2 million) to certain Holders on November 4, 2022 as the first installment under the Amended TRA; and (ii) 710,208 common shares with a value of \$20.6 million (US\$15.2 million) to certain Holders on March 17, 2023, as the second installment under the Amended TRA. In connection with the Acreage Acquisition, the Company, on behalf of Canopy USA, issued 5,118,426 common shares of the Company to an eligible participant pursuant to HSCP's existing tax receivable bonus plans.

In addition to shareholder and court approvals, completion of the Floating Share Arrangement was subject to applicable regulatory approvals including, but not limited to, Toronto Stock Exchange ("TSX") approval and the satisfaction of certain other closing conditions, including the conditions set forth in the Acreage Amended Arrangement (as defined below). The Floating Share Arrangement received the requisite approval from the holders of Floating Shares at the special meeting of Acreage shareholders held on March 15, 2023 and on March 20, 2023 Acreage obtained a final order from the Supreme Court of British Columbia approving the Floating Share Arrangement. The Floating Share Arrangement was implemented on December 9, 2024 in connection with the closing of the Acreage Acquisition.

On June 4, 2024, the Acreage Option was exercised in accordance with the terms of the arrangement agreement dated April 18, 2019, as amended on May 15, 2019, September 23, 2020 and November 17, 2020 (the "Existing Acreage Arrangement Agreement"). Concurrently with the closing of the acquisition of the Fixed Shares pursuant to the exercise of the Acreage Option, on December 9, 2024, the Fixed Shares were issued to Canopy USA upon closing of the Acreage Acquisition. Accordingly, Canopy Growth does not hold any Fixed Shares or Floating Shares. The acquisition of the Floating Shares pursuant to the Floating Share Arrangement occurred immediately prior to the acquisition of the Fixed Shares pursuant to the Existing Acreage Arrangement Agreement such that 100% of the issued and outstanding shares of Acreage are owned by Canopy USA. For additional details, see "Acreage Acquisition" below.

On June 3, 2024, the Company exercised its option to acquire certain outstanding debt of Acreage (the "Debt Acquisition") in connection with the option agreement dated November 15, 2022 (the "Option Agreement") among a wholly-owned subsidiary of Canopy Growth (the "Optionor") and the lenders (the "Lenders") party to Acreage's credit agreement dated as of December 16, 2021, as amended by the first amendment to credit agreement dated as of October 24, 2022 and the second amendment to credit agreement dated as of April 28, 2023.

The Optionor entered into various agreements in connection with the Debt Acquisition in order to acquire approximately \$136,567 (US\$99,837) of Acreage's outstanding debt (the "Acquired Debt") from certain Lenders in exchange for \$95,460 (US\$69,786) in cash and the release of approximately \$41,107 (US\$30,051) (the "Option Premium") that was held in escrow pursuant to the Option Agreement. The Option Premium was not included in Canopy Growth's cash and cash equivalents as of March 31, 2024.

The Optionor subsequently transferred approximately \$2,972 (US\$2,173) of the Acquired Debt to the other Lender (the "Rolling Lender") and entered into a series of agreements with the Rolling Lender and Acreage, among others, including an amended and restated credit agreement (the "First ARCA"), which provided for, among other things, the Acquired Debt, certain interest payments to be paid-in-kind, revisions to certain financial covenants and, following certain events, an extension to the maturity date.

On September 13, 2024, the Optionor entered into a series of transactions with, among others, Acreage, the Rolling Lender and an arm's length third-party lender (the "Other Lender"). Pursuant to such transactions, all of Acreage's indebtedness held by the Rolling Lender was acquired by the Other Lender. Following the acquisition by the Other Lender, the Optionor, the Other Lender and Acreage, among others, amended and restated the First ARCA pursuant to a second amended and restated credit agreement dated as of September 13, 2024 (the "Second ARCA"). Pursuant to the Second ARCA and an agreement among lenders entered into on September 13, 2024 between, among others, the Optionor and the Other Lender, all interest owing to the Optionor under the Second ARCA is, subject to the consent of the Other Lender, to be paid-in-kind and not in cash. Under the Second ARCA, as of September 13, 2024, the Optionor was owed an aggregate principal amount equal to approximately \$137,955 (US\$102,000), which is subordinate to approximately \$87,913 (US\$65,000) owed to the Other Lender. As previously disclosed in the Annual Report, Acreage was in default under the Second ARCA and the Lenders agreed to forbear from exercising remedies with respect to such default while the parties discussed potential solutions, including additional financing.

As of June 30, 2025, the aggregate principal amount owing to the Optionor was approximately \$154,267 (US\$113,365) and the aggregate principal amount owing to the Other Lender was approximately \$88,452 (US\$65,000).

On July 29, 2025, the Company entered into the Third Paydown Agreement (as defined below) in order to permit the Company to grant Canopy USA certain consents (the "Acreage Financing Consent") in order to allow Canopy USA to secure from the Other Lender an additional US\$22,000 in financing for Acreage and its subsidiaries (the "Acreage Financing"). In connection with the Acreage Financing, the Optionor, the Other Lender and Acreage, among others, amended and restated the Second ARCA pursuant to a third amended and restated credit agreement dated as of July 29, 2025 (the "Third ARCA"). As a result of the Acreage Financing and Third ARCA, Acreage is no longer in default under its senior secured credit facilities

Deconsolidation of Canopy USA

As of April 30, 2024, as a result of the series of transactions related to the Additional Reorganization Amendments described above (the “Canopy USA Transactions”), Canopy Growth has deconsolidated the financial results of Canopy USA and has a non-controlling interest in Canopy USA as of such date. The deconsolidation of Canopy USA occurred after completion of the following structural amendments: (i) execution of the Second A&R LLC Agreement, (ii) execution of the Second A&R Protection Agreement and (iii) completion of the initial tranche closing of the Trust Transaction, which included the election of a third member to the Canopy USA Board such that the Canopy USA Board is comprised of an appointee of the Trust, Ms. Whiteman, and the Company.

Canopy Growth's deconsolidation of Canopy USA resulted in recognition of equity method investments (see Note 10) and a loan receivable recorded at fair value (see Note 10). The deconsolidation of Canopy USA from the financial results of Canopy Growth resulted in the derecognition of the following assets and liabilities:

Cash	\$ 6,968
Other financial assets	386,045
Other assets	1,315
Other liabilities	(20,067)
Cumulative translation adjustment	10,398
Net assets disposed	<u>\$ 384,659</u>
Derecognition of non-controlling interest in Canopy USA	\$ 139
Equity method investments	\$ 227,119
Elevate loan receivable	174,864
Total retained non-controlling interest in the former subsidiaries	<u>\$ 401,983</u>
Issuance of common shares	\$ (12,452)
Consideration received in cash	\$ -
Total consideration	<u>\$ -</u>
Gain on disposal of consolidated entity	<u>\$ 5,011</u>

The gain on derecognition of Canopy USA is the differences between the carrying amounts of the derecognized assets, liabilities and non-controlling interest, value of common shares issued, and the fair value of the retained non-controlling interest in Canopy USA, being the equity method investments and the Canopy Elevate I LLC, Canopy Elevate II LLC and Canopy Elevate III LLC (collectively, “Elevate”) loan receivable. The gain on derecognition is reflected in other income (expense), net.

Acreage Acquisition

On December 9, 2024, Canopy USA completed the Acreage Acquisition and now owns 100% of the issued and outstanding shares of Acreage. In connection with: (i) the Existing Acreage Arrangement Agreement and the Acreage Amended Arrangement; and (ii) the Floating Share Arrangement Agreement, Canopy USA acquired all of the issued and outstanding Floating Shares of Acreage on the terms and conditions set forth in Floating Share Arrangement. Immediately following the implementation of the Floating Share Arrangement, Canopy USA acquired all of the issued and outstanding Fixed Shares of Acreage (the “Fixed Share Acquisition”). In accordance with the Floating Share Arrangement, registered holders of Floating Shares received 0.045 of a common share of Canopy Growth for each Floating Share (the “Floating Share Exchange Ratio”). In connection with the Fixed Share Acquisition, each of the outstanding Fixed Shares was exchanged for 0.0000000617 of a common share of Canopy Growth for each Fixed Share, as adjusted pursuant to the terms and conditions set forth in the Existing Acreage Arrangement Agreement (the “Fixed Share Exchange Ratio”). In aggregate, Canopy Growth issued 5,888,291 common shares to former shareholders of Acreage.

Pursuant to the Floating Share Arrangement, (i) each outstanding stock option to acquire Floating Shares was exchanged for a replacement option exercisable for Canopy Growth common shares, with the number of underlying Canopy Growth common shares and exercise price of such options adjusted by the Floating Share Exchange Ratio; (ii) each outstanding warrant to acquire Floating Shares was exchanged for a replacement warrant to acquire Canopy Growth common shares, with the number of underlying Canopy Growth common shares and exercise price of such warrants adjusted by the Floating Share Exchange Ratio; and (iii) each outstanding restricted share unit, performance share and performance unit, as applicable, that vested into Floating Shares was exchanged for a replacement restricted share unit, performance share or performance unit, as applicable, that vests into Canopy Growth common shares, with the number of underlying Canopy Growth common shares adjusted by the Floating Share Exchange Ratio.

In connection with the Fixed Share Acquisition, (i) each outstanding stock option to acquire Fixed Shares was exchanged for a replacement option exercisable for Canopy Growth common shares, with the number of underlying Canopy Growth common shares and exercise price of such options adjusted by the Fixed Share Exchange Ratio; (ii) each outstanding warrant to acquire Fixed Shares was exchanged for a replacement warrant to acquire Canopy Growth common shares, with the number of underlying Canopy Growth common shares and exercise price of such warrants adjusted by the Fixed Share Exchange Ratio; and (iii) each restricted share unit and performance share unit, as applicable, that vested into Fixed Shares was exchanged for a replacement restricted share unit or performance share unit, as applicable, that vests into Canopy Growth common shares, with the number of underlying Canopy Growth common shares adjusted by the Fixed Share Exchange Ratio.

In addition, Canopy Growth: (i) issued 5,118,426 common shares of the Company to an eligible participant pursuant to HSCP's existing tax receivable bonus plans; and (ii) 306,151 common shares of the Company were issuable in connection with Canopy USA's acquisition of the minority interests of certain subsidiaries of Acreage, of which 237,682 common shares of the Company have been issued as of June 30, 2025.

Immediately following the closing of the Acreage Acquisition, Canopy Growth issued an aggregate of 1,315,553 common shares and 1,197,658 common share purchase warrants to certain securityholders of Acreage in order to satisfy an outstanding liability. Each common share purchase warrant entitles the holder thereof to acquire one Canopy Growth common share at an exercise price of US\$3.66 until June 6, 2029.

In exchange for the issuances of Canopy Growth common shares, warrants and other replacement securities in connection with the Acreage Acquisition, Canopy Growth received additional Non-Voting Shares with a value of \$50,786 and Canopy USA delivered guarantees in respect of the obligations owing pursuant to the Elevate loan receivable. Refer to Note 10 for more information on Canopy USA investment balances and refer to Note 17 for more information on the share and warrant issuances as part of the Acreage Acquisition.

4. LOSS ON ASSET IMPAIRMENT AND RESTRUCTURING

In the three months ended June 30, 2025, the Company recorded a loss on asset impairment and restructuring which primarily related to the employee restructuring costs.

As a result, in the three months ended June 30, 2025, the Company recognized a loss on asset impairment and restructuring of \$2,653 (three months ended June 30, 2024 – loss of \$20).

5. CASH AND CASH EQUIVALENTS

The components of cash and cash equivalents are as follows:

	June 30, 2025	March 31, 2025
Cash	\$ 126,076	\$ 113,681
Cash equivalents	126	130
	<u>\$ 126,202</u>	<u>\$ 113,811</u>

6. SHORT-TERM INVESTMENTS

The components of short-term investments are as follows:

	June 30, 2025	March 31, 2025
Term Deposits	\$ 17,296	\$ 17,656
Government securities	131	-
	<u>\$ 17,427</u>	<u>\$ 17,656</u>

The amortized cost of short-term investments at June 30, 2025 is \$17,427 (March 31, 2025 – \$17,656).

7. AMOUNTS RECEIVABLE, NET

The components of amounts receivable, net are as follows:

	June 30, 2025	March 31, 2025
Accounts receivable, net	\$ 47,966	\$ 47,514
Indirect taxes receivable	1,746	2,211
Interest receivable	321	219
Other receivables	-	2,836
	<u>\$ 50,033</u>	<u>\$ 52,780</u>

Included in the accounts receivable, net balance at June 30, 2025 is an allowance for doubtful accounts of \$1,314 (March 31, 2025 – \$1,212).

8. INVENTORY

The components of inventory are as follows:

	June 30, 2025	March 31, 2025
Raw materials, packaging supplies and consumables	\$ 17,789	\$ 16,268
Work in progress	40,641	46,944
Finished goods	35,391	33,161
	<u>\$ 93,821</u>	<u>\$ 96,373</u>

In the three months ended June 30, 2025, the Company recorded write-downs related to inventory in cost of goods sold of \$1,903 (three months ended June 30, 2024 – \$690).

9. PREPAID EXPENSES AND OTHER ASSETS

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

	June 30, 2025	March 31, 2025
Prepaid expenses	\$ 6,653	\$ 5,363
Deposits	241	152
Other assets	3,154	2,029
	<u>\$ 10,048</u>	<u>\$ 7,544</u>

10. OTHER INVESTMENTS

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, 2025	Additions	Fair value changes	Foreign currency translation adjustments	Other	Balance at June 30, 2025
Elevate loan receivable	Loan receivable	\$ 144,683	\$ -	\$ 5,546	\$ (7,834)	\$ -	\$ 142,395
Canopy USA LPs	Equity method investment	33,144	-	(15,595)	(176)	-	17,373
Other	Various	2,150	-	-	-	(18)	2,132
		<u>\$ 179,977</u>	<u>\$ -</u>	<u>\$ (10,049)</u>	<u>\$ (8,010)</u>	<u>\$ (18)</u>	<u>\$ 161,900</u>

Equity Method Investments

Through its ownership in the Non-Voting Shares, the Company has a non-participating and non-voting interest in Canopy USA, LLC and an interest in the Canopy USA LPs, and classifies such interests in Canopy USA, LLC and the Canopy USA LPs as equity method investments. The Company has elected to account for its investments in Canopy USA, LLC and the Canopy USA LPs at fair value. Refer to Note 21 for information on the valuation technique and inputs used in determining the fair value of the Canopy USA, LLC and the Canopy USA LPs investments and Note 23 for information on fair value movements.

Other financial assets

Acreage Debt

On June 3, 2024, the Company closed the Debt Acquisition in connection with the Option Agreement among the Optionor and the Lenders party to Acreage's credit agreement dated as of December 16, 2021, as amended by the first amendment to credit agreement dated as of October 24, 2022 and the second amendment to credit agreement dated as of April 28, 2023.

The Optionor entered into various agreements in connection with the Debt Acquisition in order to acquire the Acquired Debt from certain Lenders in exchange for \$95,460 (US\$69,786) in cash and the release of the Option Premium that was held in escrow pursuant to the Option Agreement. The Option Premium was not included in the Company's cash and cash equivalents as of March 31, 2024.

The Optionor subsequently transferred approximately \$2,972 (US\$2,173) of the Acquired Debt to the Rolling Lender and entered into a series of agreements with the Rolling Lender and Acreage, among others, including the First ARCA, which provided for, among other things, the Acquired Debt, certain interest payments to be paid-in-kind, revisions to certain financial covenants and, following certain events, an extension to the maturity date.

On September 13, 2024, the Optionor entered into a series of transactions with, among others, Acreage, the Rolling Lender and the Other Lender. Pursuant to such transactions, all of Acreage's indebtedness held by the Rolling Lender was acquired by the Other Lender. Following the acquisition by the Other Lender, the Optionor, the Other Lender and Acreage, among others, entered into the Second ARCA. Pursuant to the Second ARCA and an agreement among lenders entered into on September 13, 2024 between, among others, the Optionor and the Other Lender, all interest owing to the Optionor under the Second ARCA is, subject to the consent of the Other Lender, to be paid-in-kind and not in cash. Under the Second ARCA, as of September 13, 2024, the Optionor was owed an aggregate principal amount equal to approximately \$137,955 (US\$102,000), which is subordinate to approximately \$87,913 (US\$65,000) owed to the Other Lender. As previously disclosed in the Annual Report, Acreage was in default under the Second ARCA and the Lenders agreed to forbear from exercising remedies with respect to such default while the parties discussed potential solutions, including additional financing.

As of June 30, 2025, the aggregate principal amount owing to the Optionor was approximately \$154,267 (US\$113,365) and the aggregate principal amount owing to the Other Lender was approximately \$88,452 (US\$65,000).

On July 29, 2025, the Company entered into the Third Paydown Agreement in order to permit the Company to grant Canopy USA the Acreage Financing Consent in order to allow Canopy USA to secure from the Other Lender an additional US\$22,000 in financing for Acreage and its subsidiaries (the “Acreage Financing”). As a result, in connection with the Acreage Financing, the Optionor, the Other Lender and Acreage, among others, amended and restated the Second ARCA pursuant to the Third ARCA. As a result of the Acreage Financing and Third ARCA, Acreage is no longer in default under its senior secured credit facilities.

Elevate Loan Receivable

Prior to Canopy Growth’s deconsolidation of Canopy USA, intercompany loans (collectively the “Elevate loan”) existed between subsidiaries and the Elevate loan was eliminated in Canopy Growth’s consolidated financial statements. Upon deconsolidation of Canopy USA, the Elevate loan is now considered a related party loan and has been recognized in Canopy Growth’s consolidated financial statements at fair value. See Note 3, for the initial value of the Elevate loan receivable upon deconsolidation of Canopy USA.

On December 9, 2024, Canopy USA delivered guarantees in respect of the obligations owing pursuant to the Elevate loan receivable. Upon delivery thereof, each guarantee is now factored into the fair value consideration of the Elevate loan receivable. Refer to Note 21 for information on the valuation technique and other inputs used in determining the fair value.

As of June 30, 2025, the aggregate principal and interest amount owing to Canopy Growth is \$235,025 (US\$172,711) and \$56,351 (US\$41,410), respectively.

11. PROPERTY, PLANT AND EQUIPMENT

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

	June 30, 2025	March 31, 2025
Buildings and greenhouses	\$ 306,417	\$ 304,891
Production and warehouse equipment	65,328	64,096
Leasehold improvements	3,197	3,177
Office and lab equipment	11,466	11,043
Computer equipment	7,053	7,006
Land	5,033	4,987
Right-of-use-assets		
Buildings and greenhouses	9,312	9,648
Assets in process	713	643
	408,519	405,491
Less: Accumulated depreciation	(117,245)	(111,968)
	<u>\$ 291,274</u>	<u>\$ 293,523</u>

Depreciation expense included in cost of goods sold for the three months ended June 30, 2025 is \$4,201 (three months ended June 30, 2024 – \$4,980). Depreciation expense included in selling, general and administrative expenses for the three months ended June 30, 2025 is \$552 (three months ended June 30, 2024 – \$702).

12. INTANGIBLE ASSETS

The components of intangible assets are as follows:

	June 30, 2025		March 31, 2025	
	Gross Carrying Amount	Net Carrying Amount	Gross Carrying Amount	Net Carrying Amount
Finite lived intangible assets				
Intellectual property	\$ 90,466	\$ 31,039	\$ 87,770	\$ 32,301
Distribution channel	46,195	1,826	46,210	2,093
Operating licenses	24,400	12,167	24,400	12,925
Software and domain names	32,648	993	33,159	1,763
Brands	14,495	6,638	14,499	7,469
Amortizable intangibles in process	276	276	194	194
Total	<u>\$ 208,480</u>	<u>\$ 52,939</u>	<u>\$ 206,232</u>	<u>\$ 56,745</u>
Indefinite lived intangible assets				
Acquired brands		\$ 31,391		\$ 30,455
Total intangible assets		<u>\$ 84,330</u>		<u>\$ 87,200</u>

Amortization expense included in cost of goods sold for the three months ended June 30, 2025 is \$3 (three months ended June 30, 2024 – \$12). Amortization expense included in selling, general and administrative expenses for the three months ended June 30, 2025 is \$4,914 (three months ended June 30, 2024 – \$5,336).

13. GOODWILL

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

Balance, March 31, 2024	\$ 43,239
Foreign currency translation adjustments	2,803
Balance, March 31, 2025	\$ 46,042
Foreign currency translation adjustments	1,335
Balance, June 30, 2025	<u>\$ 47,377</u>

The Company does not believe that an event occurred or circumstances changed during the three months ended June 30, 2025 that would, more likely than not, reduce the fair value of the Storz & Bickel® (“Storz & Bickel”) reporting unit below its carrying value. Therefore, the Company concluded that the quantitative goodwill impairment assessment was not required for the Storz & Bickel reporting unit at June 30, 2025. The carrying value of goodwill associated with the Storz & Bickel reporting unit was \$47,377 at June 30, 2025.

The Company is required to perform its next annual goodwill impairment analysis on March 31, 2026, or earlier should there be an event that occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

14. OTHER ACCRUED EXPENSES AND LIABILITIES

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

	June 30, 2025	March 31, 2025
Employee compensation	\$ 16,269	\$ 13,729
Taxes and government fees	17,530	13,073
Professional fees	2,737	2,699
Other	9,999	9,112
	<u>\$ 46,535</u>	<u>\$ 38,613</u>

15. DEBT

The components of debt are as follows:

	<u>Maturity Date</u>	<u>June 30, 2025</u>	<u>March 31, 2025</u>
Credit facility	September 18, 2027		
Principal amount		204,953	216,686
Accrued interest		4,529	-
Deferred financing costs		(4,795)	(5,566)
		<u>204,687</u>	<u>211,120</u>
Supreme convertible debentures	September 10, 2025	1,777	2,311
Accretion debentures	September 10, 2025	-	163
May 2024 Convertible Debenture	May 14, 2029	88,839	90,231
Other revolving debt facility, loan, and financings		-	244
		<u>295,303</u>	<u>304,069</u>
Less: current portion		(6,306)	(4,258)
Long-term portion		<u>\$ 288,997</u>	<u>\$ 299,811</u>

Credit Facility

On March 18, 2021, the Company entered into a term loan 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 had the ability to obtain up to an additional US\$500,000 of incremental senior secured debt pursuant to the Credit Agreement. On October 24, 2022, in connection with the balance sheet actions completed as part of the creation of Canopy USA, the Company entered into agreements with certain of its lenders under the Credit Agreement to tender US\$187,500 of the principal amount outstanding thereunder at a discounted price of US\$930 per US\$1,000 or US\$174,375 in the aggregate. The first payment, which was oversubscribed, in the amount of \$117,528 (US\$87,852) was made on November 10, 2022 to reduce the principal indebtedness by \$126,324 (US\$94,427). The second payment of \$116,847 (US\$87,213) was made on April 17, 2023 to reduce principal indebtedness under the Credit Agreement by \$125,606 (US\$93,750). Additionally, on October 24, 2022, the Company and certain of its lenders agreed to make certain amendments to the Credit Agreement which, among other things, resulted in: (i) a reduction to the minimum liquidity covenant to no less than US\$100,000 following completion of the second principal repurchase on April 17, 2023; (ii) certain changes to the application of net proceeds from asset sales; (iii) the establishment of a new committed delayed draw term credit facility in an aggregate principal amount of US\$100,000; and (iv) the elimination of the additional US\$500,000 incremental term loan facility.

On July 13, 2023, as part of the Company's balance sheet deleveraging initiatives, the Company entered into agreements with certain of its lenders under the Credit Agreement pursuant to which certain additional amendments were made to the Credit Agreement (the Credit Agreement, as amended as of July 13, 2023, is referred to herein as the “Amended Credit Agreement”). The Amended Credit Agreement required the Company to prepay or repurchase principal indebtedness under the Credit Facility in an amount equal to the US dollar equivalent of \$93,000 at a discounted price of US\$930 per US\$1,000 (the “July 2023 Paydown”). In addition, the Amended Credit Agreement requires the Company to apply certain net proceeds from asset sales to prepay or repurchase principal indebtedness under the Credit Facility and receive principal reductions at, in certain circumstances, a discounted price of US\$950 per US\$1,000. The Amended Credit Agreement also includes, among other things, amendments to the minimum liquidity covenant such that the US\$100,000 minimum liquidity covenant ceased to apply concurrently with the July 2023 Paydown. The Company made the July 2023 Paydown on July 21, 2023.

On each of August 11, 2023 and September 14, 2023, pursuant to the terms of the Amended Credit Agreement, the Company repurchased additional outstanding principal amounts under the Credit Facility using certain net proceeds from completed asset sales (the “Second Quarter 2024 Paydowns”). The Second Quarter 2024 Paydowns resulted in an aggregate principal reduction of \$73,313 (US\$54,491) for a cash payment of \$69,647 (US\$51,766).

On each of November 28, 2023 and December 27, 2023, pursuant to the terms of the Amended Credit Agreement, the Company repurchased and repaid, as applicable, additional outstanding principal amounts under the Credit Facility using certain net proceeds from completed asset sales (the “Third Quarter 2024 Paydowns”). The Third Quarter 2024 Paydowns resulted in an aggregate principal reduction of \$65,379 (US\$48,532) for a cash payment of \$63,167 (US\$46,902).

On February 21, 2024, the Company repurchased additional outstanding principal amounts under the Credit Facility (the “Fourth Quarter 2024 Paydown”). The Fourth Quarter 2024 Paydown resulted in an aggregate principal reduction of \$31,078 (US\$23,000) for a cash payment of \$27,970 (US\$20,700).

On April 29, 2024 and June 28, 2024, the Company repurchased additional outstanding principal amounts under the Credit Facility (the “First Quarter 2025 Paydowns”). The First Quarter 2025 Paydowns resulted in an aggregate principal reduction of \$11,159 (US\$8,165) for a cash payment of \$11,159 (US\$8,165).

On August 8, 2024, the Company entered into an amendment (the “Amending Agreement”) with all of the lenders to the Credit Facility under the Credit Agreement dated March 18, 2021, as amended on October 24, 2022 and July 13, 2023, among the Company and 11065220 Canada Inc., as borrowers, the lenders party thereto and Wilmington Trust, National Association, as administrative and collateral agent. Pursuant to the terms of the Amending Agreement, the maturity date of the Credit Facility was extended to December 18, 2026 and a mandatory US\$97,500 prepayment of the Credit Facility at 97.5% of par thereby reducing the outstanding amount of the Credit Facility by US\$100,000 was required to be made by December 31, 2024. In addition, the Amending Agreement provided for a further extension to the maturity date of the Credit Facility to September 18, 2027 if an optional prepayment on the same terms was made on or before March 31, 2025 (the “Optional Prepayment”). The Amending Agreement also includes changes to certain negative covenants, repayment provisions in the event of divestitures and events of default.

Through August 8, 2024, the Credit Facility matured on March 18, 2026 and through December 26, 2023, had an interest rate of LIBOR + 8.50%. After August 8, 2024, the Credit Facility matured on December 18, 2026, and after December 26, 2023, interest on amounts outstanding under the Credit Facility is calculated at either the applicable prime rate plus 7.50% per annum, subject to a prime rate floor of 2.00%, or adjusted term SOFR plus 8.50% per annum, subject to an adjusted term SOFR floor of 1.00%. 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 the assets of the Company and its material wholly-owned Canadian and U.S. subsidiaries, including material real property. The Amended Credit Agreement contains representations and warranties, and affirmative and negative covenants.

On September 27, 2024, the Company repurchased additional outstanding principal amounts under the Credit Facility (the “Second Quarter 2025 Paydown”). The Second Quarter 2025 Paydown resulted in an aggregate principal reduction of \$1,148 (US\$851) for a cash payment of \$1,148 (US\$851).

In accordance with the Amending Agreement, on October 16, 2024, the Company made an early prepayment under its Credit Facility in an aggregate principal amount equal to US\$100,000 of the principal amount outstanding thereunder at a discounted price of US\$97,500 (the “Third Quarter 2025 Paydown”). The Third Quarter 2025 Paydown resulted in an aggregate principal reduction of \$137,710 (US\$100,000) for a cash payment of \$134,267 (US\$97,500).

On March 31, 2025, the Company made the Optional Prepayment and, as a result, the maturity date under the Credit Agreement was extended to September 18, 2027. The Optional Prepayment resulted in an aggregate principal reduction of \$143,870 (US\$100,000) for a cash payment of \$140,273 (US\$97,500).

On July 29, 2025, the Company entered into the Third Paydown Agreement. In accordance with the terms of the Third Paydown Agreement, on July 31, 2025, the Company made the first of the three required prepayments in the aggregate amount of US\$25,000 to reduce the principal balance of the Credit Facility, refer to Note 28 for additional details relating to the Third Paydown Agreement and the first prepayment made by the Company.

Supreme Cannabis Convertible Debentures and Accretion Debentures

On October 19, 2018, The Supreme Cannabis Company, Inc. (“Supreme Cannabis”) 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 \$2.85.

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 accreted 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. As of September 9, 2023, the principal amount of the Accretion Debentures was finalized as \$10,434. The Accretion Debentures are payable in cash, but do not bear cash interest and are not convertible into the common shares of Supreme Cannabis (the “Supreme Shares”). 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 completion of an arrangement on June 22, 2021 by the Company and Supreme Cannabis, pursuant to which the Company acquired 100% of the issued and outstanding Supreme Shares (the “Supreme Arrangement”), 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 \$385.90 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 were 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 Supreme Debentures outstanding, provided that the Accretion Debentures have already been redeemed in full.

On May 2, 2024, the Company entered into the Exchange and Subscription Agreement (as defined below) where approximately \$27,563 of aggregate principal amount of outstanding Supreme Debentures and Accretion Debentures were settled.

On August 20, 2024, the Company entered into an exchange and subscription agreement with a single institutional investor (the "August 2024 Investor") pursuant to which, among other things, the August 2024 Investor delivered to the Company approximately \$2,664 of aggregate principal amount of outstanding Supreme Debentures held by the August 2024 Investor in exchange for 291,351 common shares of the Company and \$29 in cash for accrued interest.

During the three months ended June 30, 2025, principal payments on the Accretion Debentures totaled \$165 (three months ended June 30, 2024 - \$677) and principal payments on the Supreme Debentures totaled \$500 (three months ended June 30, 2024 - \$nil).

May 2024 Convertible Debenture

On May 2, 2024, the Company entered into an exchange and subscription agreement (the "Exchange and Subscription Agreement") with a single institutional investor (the "May 2024 Investor") pursuant to which, among other things, the May 2024 Investor delivered to the Company approximately \$27,563 aggregate principal amount of outstanding Supreme Debentures and Accretion Debentures held by the May 2024 Investor and paid the Company \$68,255 (US\$50,000) in exchange for the Company issuing to the May 2024 Investor (i) a new senior unsecured convertible debenture of the Company (the "May 2024 Convertible Debenture") with an aggregate principal amount of \$96,358 maturing five years from the closing date (the "Closing Date") of the transaction and (ii) 3,350,430 common share purchase warrants (the "May 2024 Investor Warrants") of the Company. Each May 2024 Investor Warrant entitles the holder to acquire one Canopy Growth common share at an exercise price equal to \$16.18 per Canopy Growth common share for a period of five years from the Closing Date. The May 2024 Convertible Debenture bears interest at a rate of 7.50% per annum, payable in semi-annual payments in cash or, at the option of the Company, in Canopy Growth common shares for the first four semi-annual interest payments after the Closing Date, subject to satisfaction of certain conditions, including the prior approval of the TSX.

The May 2024 Convertible Debenture is convertible into Canopy Growth common shares at the option of the May 2024 Investor at a conversion price equal to \$14.38 per share. The May 2024 Convertible Debenture is subject to a forced conversion feature upon notice from the Company in the event that the average closing trading price of the Canopy Growth common shares on the TSX exceeds \$21.57 for a period of 10 consecutive trading days. In addition, pursuant to the terms of the May 2024 Convertible Debenture, for so long as the principal amount under the May 2024 Convertible Debenture remains outstanding (the "Debenture ROFR Term"), the Company granted the May 2024 Investor a right of first refusal to subscribe for, and to be issued, as an investor in any debt or equity financing that the Company wishes to complete during the Debenture ROFR Term (the "Proposed Financing"); provided, however, that the May 2024 Investor shall subscribe for 25% of the Proposed Financing on the same terms and conditions contemplated in the Proposed Financing.

16. OTHER LIABILITIES

The components of other liabilities are as follows:

	As at June 30, 2025			As at March 31, 2025		
	Current	Long-term	Total	Current	Long-term	Total
Lease liabilities	\$ 12,617	\$ 19,882	\$ 32,499	\$ 16,542	\$ 27,786	\$ 44,328
Acquisition consideration and other investment related liabilities	-	4,518	4,518	-	4,439	4,439
Refund liability	3,275	-	3,275	2,661	-	2,661
Settlement liabilities and other	5,858	3,629	9,487	6,231	4,048	10,279
	<u>\$ 21,750</u>	<u>\$ 28,029</u>	<u>\$ 49,779</u>	<u>\$ 25,434</u>	<u>\$ 36,273</u>	<u>\$ 61,707</u>

17. SHARE CAPITAL

CANOPY GROWTH

Authorized

An unlimited number of common shares and exchangeable shares (the “Exchangeable Shares”).

(i) Equity financings

On February 28, 2025, the Company established a new at-the-market equity program that allows it to issue and sell up to US\$200,000 of common shares of the Company to the public from time to time at the Company's discretion (the “February 2025 ATM Program”) pursuant to an equity distribution agreement (as amended, the “2025 Equity Distribution Agreement”) entered into among the Company and BMO Nesbitt Burns Inc., as Canadian agent, and BMO Capital Markets Corp., as U.S. agent (together, the “Agents”). The February 2025 ATM Program will be effective until the earlier of (i) the issuance and sale of all of the common shares issuable pursuant to the February 2025 ATM Program; (ii) the date on which the Company receives notice from a securities regulatory authority that the Company’s Canadian short form base shelf prospectus dated June 5, 2024 and/or the Company’s registration statement, as amended, filed with the SEC has ceased to be effective; and (iii) July 5, 2026, unless terminated earlier in accordance with the terms of the 2025 Equity Distribution Agreement. The 2025 Equity Distribution Agreement replaced the equity distribution agreement dated June 6, 2024, among the Company and the Agents that established the Company’s prior at-the-market equity program (the “June 2024 ATM Program”).

During the three months ended June 30, 2025, the Company sold 21,006,528 common shares for gross proceeds of \$38,261 under the February 2025 ATM Program. Refer to Note 28 for additional information on common shares sold after June 30, 2025 under the February 2025 ATM Program.

During the three months ended June 30, 2024, the Company sold 4,747,064 common shares for gross proceeds of \$46,291 under the June 2024 ATM Program.

(ii) Other issuances of common shares and share capital transactions

During the three months ended June 30, 2025, the Company had the following other issuances and share capital transactions:

	Number of common shares	Share capital	Share and warrant reserve
Other issuances and share issue costs	-	\$ (1,585)	\$ -
Total	<u>-</u>	<u>\$ (1,585)</u>	<u>\$ -</u>

During the three months ended June 30, 2024, the Company had the following other issuances and share capital transactions:

	Number of common shares	Share capital	Share based reserve
Other issuances and share issue costs	-	\$ (3,189)	\$ -
Total	<u>-</u>	<u>\$ (3,189)</u>	<u>\$ -</u>

(iii) Warrants

	Number of whole warrants	Average exercise price	Warrant value
Balance outstanding at March 31, 2025	15,483,580	\$ 10.47	\$ 2,628,137
Issuance of warrants	-	-	-
Balance outstanding at June 30, 2025	15,483,580	\$ 10.09	\$ 2,628,137

	Number of whole warrants	Average exercise price	Warrant value
Balance outstanding at March 31, 2024	10,451,457	\$ 9.12	\$ 2,610,519
Issuance of warrants	3,350,430	16.18	8,697
Expiry of warrants	(1,145,760)	6.61	(2,702)
Balance outstanding at June 30, 2024	12,656,127	\$ 11.29	\$ 2,616,514

(iv) Issuances of Exchangeable Shares

During the three months ended June 30, 2025, the Company did not issue any Exchangeable Shares.

On April 18, 2024, Greenstar Canada Investment Limited Partnership (“Greenstar”) and CBG Holdings LLC, indirect, wholly-owned subsidiaries of Constellation Brands, Inc., exchanged all 17,149,925 Canopy Growth common shares they collectively held for 17,149,925 Exchangeable Shares for no consideration. In addition, an additional 9,111,549 Exchangeable Shares were issued to Greenstar in connection with Greenstar’s conversion of approximately \$81,220 of the principal amount of the \$100,000 principal amount promissory note issued to Greenstar and payable on December 31, 2024, calculated based on a price per Exchangeable Share equal to \$8.91. The Exchangeable Shares are convertible at any time, at the option of the holder, into Canopy Growth common shares on a one for one basis.

18. SHARE-BASED COMPENSATION

CANOPY GROWTH CORPORATION SHARE-BASED COMPENSATION PLAN

On September 25, 2023, the Company's shareholders approved a new Omnibus Equity Incentive Plan (the “Omnibus Equity Incentive Plan”) pursuant to which the Company can issue share-based long-term incentives. The Omnibus Equity Incentive Plan replaces the Company’s previous equity incentive plan, which was originally approved by the Company’s shareholders on July 30, 2018 (the “Previous Equity Incentive Plan”). The approval of the Omnibus Equity Incentive Plan and replacement of the Previous Equity Incentive Plan are detailed in the Company’s definitive proxy statement filed with the Securities and Exchange Commission on August 9, 2023.

All directors, employees and consultants of the Company are eligible to receive awards of common share purchase options (“Options”), restricted share units (“RSUs”), deferred share units or shares-based awards (collectively, the “Awards”) under the Omnibus Equity Incentive Plan, subject to certain limitations. The Omnibus Equity Incentive Plan allows for a maximum term of each Option to be ten years from the date of grant and the maximum number of common shares available for issuance under the Omnibus Equity Incentive Plan remains at 10% of the issued and outstanding common shares from time to time, less the number of common shares issuable pursuant to other security-based compensation arrangements of the Company (including common shares reserved for issuance under the Previous Equity Incentive Plan).

The Omnibus Equity Incentive Plan was adopted on September 25, 2023. No further awards will be granted under the Previous Equity Incentive Plan and any new Awards will be issued by the Company pursuant to the terms of the Omnibus Equity Incentive Plan. However, outstanding and unvested awards granted under the Previous Equity Incentive Plan will continue to be governed in accordance with the terms of such plan.

The maximum number of common shares reserved for issuance upon the exercise, vesting or settlement, as applicable, of Awards granted pursuant to the Omnibus Equity Incentive Plan and the Previous Equity Incentive Plan is 20,514,724 as at June 30, 2025. As of June 30, 2025, the only Awards issued have been Options, RSUs and performance share units (“PSUs”) under the Previous Equity Incentive Plan, and Options and RSUs under the Omnibus Equity Incentive Plan.

The Omnibus Equity Incentive Plan is administered by the Corporate Governance, Compensation and Nominating Committee of the board of directors of the Company, which establishes in its discretion, among other things, exercise prices, at not less than the Fair Market Value (as defined in the Omnibus Equity Incentive Plan) at the date of grant, vesting terms and expiry dates (set at up to ten years from issuance) for Awards, subject to the limits contained in the Omnibus Equity Incentive Plan.

The following is a summary of the changes in the Options outstanding during the three months ended June 30, 2025:

	Options issued	Weighted average exercise price
Balance outstanding at March 31, 2025	3,648,915	\$ 32.81
Options granted	2,524,039	2.00
Options expired/forfeited	(224,226)	53.84
Balance outstanding at June 30, 2025	<u>5,948,728</u>	<u>\$ 18.86</u>

The following is a summary of the Options outstanding as at June 30, 2025:

Range of Exercise Prices	Options Outstanding		Options Exercisable	
	Outstanding at June 30, 2025	Weighted Average Remaining Contractual Life (years)	Exercisable at June 30, 2025	Weighted Average Remaining Contractual Life (years)
\$2.00 - \$7.50	4,712,937	4.25	1,306,632	3.48
\$7.51 - \$56.10	958,571	3.75	480,199	3.43
\$56.11 - \$445.80	277,220	0.58	169,346	0.67
	<u>5,948,728</u>	<u>4.00</u>	<u>1,956,177</u>	<u>3.22</u>

At June 30, 2025, the weighted average exercise price of the Options outstanding and Options exercisable was \$18.86 and \$35.28, respectively (March 31, 2025 – \$32.81 and \$63.41, respectively).

The Company recorded \$(330) in share-based compensation expense related to Options issued to employees and contractors for the three months ended June 30, 2025 (three months ended June 30, 2024 – \$3,257). The share-based compensation expense for the three months ended June 30, 2025 includes a large expense reversal resulting from higher estimated forfeitures relating to the departure of certain executives of the Company.

The Company uses the Black-Scholes option pricing model to establish the fair value of Options granted during the three months ended June 30, 2025 and 2024, on their measurement date by applying the following assumptions:

	June 30, 2025	June 30, 2024
Risk-free interest rate	2.73%	3.66%
Expected life of options (years)	3 - 5	3 - 5
Expected volatility	121%	117%
Expected forfeiture rate	18%	20%
Expected dividend yield	nil	nil
Black-Scholes value of each Option	\$1.57	\$8.05

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.

For the three months ended June 30, 2025, the Company recorded \$231 in share-based compensation expense related to RSUs and PSUs (for the three months ended June 30, 2024 – \$894).

The following is a summary of the changes in the Company's RSUs and PSUs during the three months ended June 30, 2025:

	Number of RSUs and PSUs
Balance outstanding at March 31, 2025	1,359,685
RSUs granted	3,348,819
RSUs and PSUs released	(275,412)
RSUs and PSUs cancelled and forfeited	(70,068)
Balance outstanding at June 30, 2025	<u>4,363,024</u>

19. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Accumulated other comprehensive income includes the following components:

	Foreign currency translation adjustments	Accumulated other comprehensive income (loss)
As at March 31, 2025	\$ 535	\$ 535
Other comprehensive income	6,713	6,713
As at June 30, 2025	<u>\$ 7,248</u>	<u>\$ 7,248</u>

	Foreign currency translation adjustments	Changes of own credit risk of financial liabilities	Accumulated other comprehensive income (loss)
As at March 31, 2024	\$ (31,178)	\$ 15,127	\$ (16,051)
Disposal of consolidated entities	10,398	-	10,398
Extinguishment of promissory note and issuance of exchangeable shares	-	(15,127)	(15,127)
Other comprehensive loss	(768)	-	(768)
As at June 30, 2024	<u>\$ (21,548)</u>	<u>\$ -</u>	<u>\$ (21,548)</u>

20. NONCONTROLLING INTERESTS

For the three months ended June 30, 2025, the Company did not have any noncontrolling interest balances or activity.

The net change in the Company's noncontrolling interest for the three months ended June 30, 2024 is as follows:

	Other	Total
As at March 31, 2024	\$ 139	\$ 139
Canopy USA Transaction	(139)	(139)
As at June 30, 2024	<u>\$ -</u>	<u>\$ -</u>

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. The Company determines the fair value of these items using Level 3 inputs, as described in the related sections below.

The following table represents the Company's financial assets and liabilities measured at estimated fair value on a recurring basis:

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
June 30, 2025				
Assets:				
Short-term investments	\$ 17,427	\$ -	\$ -	\$ 17,427
Restricted short-term investments	5,828	-	-	5,828
Other investments	46	-	159,768	159,814

March 31, 2025				
Assets:				
Short-term investments	\$ 17,656	\$ -	\$ -	\$ 17,656
Restricted short-term investments	6,410	-	-	6,410
Other investments	46	-	177,827	177,873

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
Canopy USA, LLC Equity Method Investment	Asset based approach	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
		Expected future cash flows	Increase or decrease in expected future cash flows will result in an increase or decrease in fair value
		Volatility of Wana and Jetty equity	Increase or decrease in volatility will result in an increase or decrease in fair value
Canopy USA LPs Equity Method Investment	Asset based approach	Probability and timing of US legalization	Increase or decrease in probability of US legalization will result in an increase or decrease in fair value
Elevate Loan Receivable	Lesser of discounted cash flow and debtor net assets	Equity value of Canopy USA	Increase or decrease in equity value will result in an increase or decrease in fair value
Acreage Debt	Discounted cash flow	Discount rate	Increase or decrease in discount rate will result in a decrease or increase in fair value

22. REVENUE

Revenue is disaggregated as follows:

	Three months ended	
	June 30, 2025	June 30, 2024
Cannabis		
Canadian adult-use cannabis ¹	\$ 27,021	\$ 18,883
Canadian medical cannabis ²	21,206	18,795
International markets cannabis	8,755	8,415
	<u>\$ 56,982</u>	<u>\$ 46,093</u>
Storz & Bickel	\$ 15,152	\$ 20,119
Net revenue	<u>\$ 72,134</u>	<u>\$ 66,212</u>

¹Canadian adult-use net revenue during the three months ended June 30, 2025 includes excise taxes of \$14,199 (three months ended June 30, 2024 – \$7,517).

²Canadian medical cannabis net revenue for the three months ended June 30, 2025 includes excise taxes of \$2,415 (three months ended June 30, 2024 – \$2,054).

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 \$923 for the three months ended June 30, 2025 (three months ended June 30, 2024 – \$1,200). As of June 30, 2025, the liability for estimated returns and price adjustments was \$3,275 (March 31, 2025 – \$2,661).

23. OTHER INCOME (EXPENSE), NET

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

	Three months ended	
	June 30, 2025	June 30, 2024
Fair value changes on Canopy USA related assets	\$ (10,049)	\$ (72,334)
Fair value changes on other financial assets	-	(2,823)
Fair value changes on acquisition related contingent consideration and other	-	(26,755)
Gain related to settlement of debt	-	22,119
Interest income	1,057	2,058
Interest expense	(9,739)	(21,143)
Foreign currency gain	153	33
Other income (expense), net	(34)	4,956
	<u>\$ (18,612)</u>	<u>\$ (93,889)</u>

24. INCOME TAXES

There have been no material changes to income tax matters in connection with normal course operations during the three months ended June 30, 2025.

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. ACREAGE ARRANGEMENT

On December 9, 2024, Canopy USA completed the Acreage Acquisition and now owns 100% of the issued and outstanding shares of Acreage. In connection with: (i) the Existing Acreage Arrangement Agreement and the amended and restated plan of arrangement (the “Acreage Amended Arrangement”) implemented by Canopy Growth and Acreage on September 23, 2020 in connection with the Existing Acreage Arrangement Agreement; and (ii) the Floating Share Arrangement Agreement, Canopy USA acquired all of the issued and outstanding Floating Shares of Acreage on the terms and conditions set forth in Floating Share Arrangement. Immediately following the implementation of the Floating Share Arrangement, Canopy USA completed the Fixed Share Acquisition. In aggregate, Canopy Growth issued 5,888,291 common shares to former shareholders of Acreage.

Pursuant to the Floating Share Arrangement, (i) each outstanding stock option to acquire Floating Shares was exchanged for a replacement option exercisable for Canopy Growth common shares, with the number of underlying Canopy Growth common shares and exercise price of such options adjusted by the Floating Share Exchange Ratio; (ii) each outstanding warrant to acquire Floating Shares was exchanged for a replacement warrant to acquire Canopy Growth common shares, with the number of underlying Canopy Growth common shares and exercise price of such warrants adjusted by the Floating Share Exchange Ratio; and (iii) each outstanding restricted share unit, performance share and performance unit, as applicable, that vested into Floating Shares was exchanged for a replacement restricted share unit, performance share or performance unit, as applicable, that vests into Canopy Growth common shares, with the number of underlying Canopy Growth common shares adjusted by the Floating Share Exchange Ratio.

In connection with the Fixed Share Acquisition, (i) each outstanding stock option to acquire Fixed Shares was exchanged for a replacement option exercisable for Canopy Growth common shares, with the number of underlying Canopy Growth common shares and exercise price of such options adjusted by the Fixed Share Exchange Ratio; (ii) each outstanding warrant to acquire Fixed Shares was exchanged for a replacement warrant to acquire Canopy Growth common shares, with the number of underlying Canopy Growth common shares and exercise price of such warrants adjusted by the Fixed Share Exchange Ratio; and (iii) each restricted share unit and performance share unit, as applicable, that vested into Fixed Shares was exchanged for a replacement restricted share unit or performance share unit, as applicable, that vests into Canopy Growth common shares, with the number of underlying Canopy Growth common shares adjusted by the Fixed Share Exchange Ratio.

See Note 3 for information regarding the Reorganization, Reorganization Amendments and Additional Reorganization Amendments. In connection with the Reorganization and the Floating Share Arrangement Agreement, Canopy Growth irrevocably waived the Acreage Floating Option. Following the implementation of the Reorganization, Canopy USA, as of October 24, 2022, holds certain U.S. cannabis investments previously held by the Company, which enabled Canopy USA to consummate the acquisition of Acreage. See Note 3 for more details related to the Acreage Acquisition.

26. COMMITMENTS AND CONTINGENCIES

Legal proceedings

In the ordinary course of business, the Company is at times subject to various legal proceedings and disputes. The Company assesses the liabilities and contingencies in connection with outstanding legal proceedings utilizing the latest information available. Where it is probable that the Company will incur a loss and the amount of the loss can be reasonably estimated, a liability is recorded in the consolidated financial statements. Where a loss is only reasonably possible or the amount of the loss cannot be reasonably estimated, no liability is recorded in the consolidated financial statements, but disclosures, as necessary, are provided.

For the three months ended June 30, 2025, there have been no material changes with respect to provisions relating to legal proceedings for the Company.

27. SEGMENT INFORMATION

Reportable segments

Prior to the three months ended June 30, 2025, the Company had the following four reportable segments: (i) Canada cannabis, (ii) International markets cannabis, (iii) Storz & Bickel, and (iv) This Works (divested December 18, 2023). Following a change in the CODM (as defined below) and internal reorganizations initiated by the Company in the three months ended March 31, 2025, the Company has changed the structure of its internal management reporting. Accordingly, as of the three months ended June 30, 2025, the Company began reporting its financial results for the following two reportable segments:

- **Cannabis** - includes the global production, distribution and sale of a diverse range of cannabis and cannabis-related products. Sales in Canada are pursuant to the *Cannabis Act*, while international sales are pursuant to applicable international legislation, regulations and permits; and
- **Storz & Bickel** - includes the production, distribution and sale of vaporizers and accessories.

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 CODM evaluates the performance of these segments, with a focus on (i)

segment net revenue, and (ii) segment gross margin as the measure of segment profit or loss. Accordingly, information regarding segment net revenue and segment gross margin for the comparative periods has been restated to reflect the aforementioned change in reportable segments.

	Three months ended	
	June 30, 2025	June 30, 2024
Segmented net revenue		
Cannabis	\$ 56,982	\$ 46,093
Storz & Bickel	15,152	20,119
	<u>\$ 72,134</u>	<u>\$ 66,212</u>
Segmented gross margin:		
Cannabis	\$ 13,591	\$ 15,271
Storz & Bickel	4,447	7,760
	<u>18,038</u>	<u>23,031</u>
Selling, general and administrative expenses	38,108	47,968
Share-based compensation	(99)	4,151
Loss on asset impairment and restructuring	2,653	20
Operating loss from continuing operations	(22,624)	(29,108)
Other income (expense), net	(18,612)	(93,889)
Loss from continuing operations before incomes taxes	<u>\$ (41,236)</u>	<u>\$ (122,997)</u>

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	
	June 30, 2025	June 30, 2024
Canada	\$ 48,228	\$ 37,678
Germany	14,381	15,514
United States	5,972	8,615
Other	3,553	4,405
	<u>\$ 72,134</u>	<u>\$ 66,212</u>

Disaggregation of property, plant and equipment by geographic area:

	June 30, 2025	March 31, 2025
Canada	\$ 235,743	\$ 239,382
Germany	54,611	53,079
Other	920	1,062
	<u>\$ 291,274</u>	<u>\$ 293,523</u>

For the three months ended June 30, 2025, one customer represented greater than 10% of the Company's net revenue (three months ended June 30, 2024 – none).

28. SUBSEQUENT EVENTS

February 2025 ATM Program

Since June 30, 2025, the Company sold an additional 34,606,351 common shares under the February 2025 ATM Program for gross proceeds of \$54,320.

Credit Facility Prepayments

On July 29, 2025, the Company entered into an agreement (the "Third Paydown Agreement") with certain lenders under its Credit Facility. Pursuant to the Third Paydown Agreement, the Company is required to make the following prepayments: (i) US\$25,000 at par on or about July 31, 2025; (ii) US\$10,000 at par on or prior to December 31, 2025; and (iii) US\$15,000 at par on or prior to March 31, 2026. On July 31, 2025, the Company made the first of the three prepayments required under the Third Paydown Agreement, which resulted in an aggregate principal reduction of US\$25,000 under the Company's Credit Facility.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Introduction

This Management's Discussion and Analysis ("MD&A") should be read together with other information, including our unaudited condensed interim consolidated financial statements and the related notes to those statements included in Part I, Item 1 of this Quarterly Report (the "Interim Financial Statements"), our consolidated financial statements appearing in our Annual Report on Form 10-K for the year ended March 31, 2025 (the "Annual Report"), Part I, Item 1A, Risk Factors, of the Annual Report. This MD&A provides additional information on our business, recent developments, financial condition, cash flows and results of operations, and is organized as follows:

- *Part 1 - Business Overview.* This section provides a general description of our business, which we believe is important in understanding the results of our operations, financial condition, and potential future trends.
- *Part 2 - Results of Operations.* This section provides an analysis of our results of operations for the first quarter of fiscal 2026 in comparison to the first quarter of fiscal 2025.
- *Part 3 - Financial Liquidity and Capital Resources.* This section provides an analysis of our cash flows and outstanding debt and commitments. Included in this analysis is a discussion of the amount of financial capacity available to fund our ongoing operations and future commitments.

We prepare and report our Interim Financial Statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Our Interim 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. We have 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.

Special Note Regarding Forward-Looking Statements

This Quarterly Report contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and other applicable securities laws, which involve certain known and unknown risks and uncertainties. Forward-looking statements predict or describe our future operations, business plans, business and investment strategies and the performance of our investments. These forward-looking statements are generally identified by their use of such terms and phrases as "intend," "goal," "strategy," "estimate," "expect," "project," "projections," "forecasts," "plans," "seeks," "anticipates," "potential," "proposed," "will," "should," "could," "would," "may," "likely," "designed to," "foreseeable future," "believe," "scheduled" and other similar expressions. 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 cannabis and hemp (including cannabidiol ("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 cannabis and 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, LLC ("Canopy USA");
- expectations for Canopy USA to capitalize on the opportunity for growth in the United States cannabis sector and the anticipated benefits of such strategy;
- the timing and occurrence of the final tranche closing in connection with the acquisition of Jetty (as defined below) pursuant to the exercise of the Jetty Options (as defined below);
- the issuance of additional common shares of the Company (each whole share, a "Canopy Share" or a "Share") to satisfy any deferred and/or option exercise payments to the shareholders of Wana (as defined below) and Jetty and the issuance of additional Non-Voting Shares (as defined below) issuable to Canopy Growth from Canopy USA in consideration thereof;

- the acquisition of additional Canopy USA Common Shares (as defined below) in connection with the Trust Transaction (as defined below), including any warrants of Canopy USA issued to the Trust (as defined below) in accordance with the Trust SPA (as defined below);
- the timing and occurrence of certain prepayments of the Credit Facility (as defined below) in connection with the Third Paydown Agreement (as defined below);
- expectations regarding the potential success of, and the costs and benefits associated with, our acquisitions, 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 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 continue as a going concern;
- our ability to maintain effective internal control over financial reporting;
- 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;
- 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 (“Nasdaq”) and the Toronto Stock Exchange (“TSX”); and
- expectations on price changes for products 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.

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 Quarterly Report and other reports we file with, or furnish to, the Securities and Exchange Commission (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 risks that the Trust's future ownership interest in Canopy USA is not quantifiable, and the Trust may have significant ownership and influence over Canopy USA; 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 the overall macroeconomic environment, which may impact customer spending, our costs and our margins, including tariffs (and related retaliatory measures), the levels of inflation, interest rates and trade policy; risks relating to the evolving regulatory landscape in the United States; 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; 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 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 Canopy 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; risks related to finalization of the consideration payable by us for the acquisition by Canopy USA of the remaining interests in Jetty; and the factors discussed under the heading "Risk Factors" in the Annual Report. 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 Quarterly Report 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.

Part 1 - Business Overview

We are a world-leading cannabis company which produces, distributes, and sells a diverse range of cannabis and cannabis related products. We are a collective of dynamic and engaged leaders, united by a passion for cannabis, focused on delighting our consumers and medical cannabis patients while creating value for our stakeholders and one another. Above all else, we are driven by an unwavering commitment to providing our consumers with the best possible experiences rooted in our vision of unleashing the power of cannabis to improve lives. From product and process innovation to market execution, we are driven by a commitment to drive the industry forward.

Our cannabis products are principally sold for adult-use and medical purposes under a portfolio of distinct brands. Our core operations are in Canada, Europe and Australia and we hold a significant non-controlling, non-voting interest in an entity that participates in the sale of cannabis and hemp derived products in the United States.

Today, we are a leader in the medical as well as adult use cannabis market in Canada where we offer a broad portfolio of brands and products and continue to expand our portfolio to include new innovative cannabis products and formats. Our primary medical brand is Spectrum Therapeutics and we have also launched Canopy Medical, a medical cannabis brand in select international markets. Our curated cannabis product formats include dried flower, pre-rolled joints (“PRJ”), oil, softgel capsules, edibles including gummies, vapes and beverages, as well as a wide range of cannabis accessories including our premier herbal vaporizer devices Storz & Bickel® (collectively with Storz & Bickel GmbH, “Storz & Bickel”).

Segment Reporting

Prior to the three months ended June 30, 2025, we had the following four reportable segments: (i) Canada cannabis, (ii) International markets cannabis, (iii) Storz & Bickel, and (iv) This Works (divested December 18, 2023). Following a change in the CODM (as defined below) and internal reorganizations initiated by us in the three months ended March 31, 2025, we changed the structure of our internal management reporting. Accordingly, as of the three months ended June 30, 2025, we began reporting our financial results for the following two reportable segments:

- **Cannabis** - includes the global production, distribution and sale of a diverse range of cannabis and cannabis-related products. Sales in Canada are pursuant to the *Cannabis Act*, while international sales are pursuant to applicable international legislation, regulations and permits; and
- **Storz & Bickel** - includes the production, distribution and sale of vaporizers and accessories.

These segments reflect how our operations are managed, how our Chief Executive Officer, who is the Chief Operating Decision Maker (“CODM”), allocates resources and evaluates performance, and how our internal management financial reporting is structured. Our CODM evaluates the performance of these segments, with a focus on (i) segment net revenue, and (ii) segment gross margin as the measure of segment profit or loss. Accordingly, information regarding segment net revenue and segment gross margin for the comparative periods have been restated to reflect the aforementioned change in reportable segments.

Canopy USA

On October 24, 2022, we completed a number of strategic transactions (the “Reorganization”) in connection with the creation of Canopy USA, a U.S.-domiciled holding company wherein, as of October 24, 2022, Canopy USA holds certain U.S. cannabis investments previously held by us.

Following the creation of Canopy USA, the Nasdaq communicated its position to the Company stating that companies that consolidate “the assets and revenues generated from activities in violation under federal law cannot continue to list on Nasdaq”. Since the Company is committed to compliance with the listing requirements of the Nasdaq, the Company and Canopy USA effectuated certain changes to the initial structure of the Company’s interest in Canopy USA that were intended to facilitate the deconsolidation of the financial results of Canopy USA within the Company’s financial statements. These changes included, among other things, modifying the terms of the Protection Agreement (as defined below) between the Company, its wholly-owned subsidiary and Canopy USA as well as the terms of Canopy USA’s limited liability company agreement and amending the terms of certain agreements with third-party investors in Canopy USA to eliminate any rights to guaranteed returns (collectively, the “Reorganization Amendments”). On May 19, 2023, the Company and Canopy USA implemented the Reorganization Amendments, which included, entering into the First A&R Protection Agreement (as defined below) and amending and restating Canopy USA’s limited liability company agreement (the “A&R LLC Agreement”) in order to: (i) eliminate certain negative covenants that were previously granted by Canopy USA in favor of the Company as well as delegating to the managers of the Canopy USA Board (as defined below) not appointed by Canopy

Growth the authority to approve the following key decisions (collectively, the “Key Decisions”): (a) the annual business plan of Canopy USA; (b) decisions regarding the executive officers of Canopy USA and any of its subsidiaries; (c) increasing the compensation, bonus levels or other benefits payable to any current, former or future employees or managers of Canopy USA or any of its subsidiaries; (d) any other executive compensation plan matters of Canopy USA or any of its subsidiaries; and (e) the exercise of the Wana Options (as defined below) or the Jetty Options, which for greater certainty means that the Company’s nominee on the Canopy USA Board will not be permitted to vote on any Key Decisions while the Company owns Non-Voting Shares; (ii) reduce the number of managers on the Canopy USA Board from four to three, including, reducing the Company’s nomination right to a single manager; (iii) amend the share capital of Canopy USA to, among other things, (a) create a new class of Canopy USA Class B Shares (as defined below), which may not be issued prior to the conversion of the Non-Voting Shares or the Class A shares of Canopy USA (the “Canopy USA Common Shares”) into Canopy USA Class B Shares; (b) amend the terms of the Non-Voting Shares such that the Non-Voting Shares will be convertible into Canopy USA Class B Shares (as opposed to Canopy USA Common Shares); and (c) amend the terms of the Canopy USA Common Shares such that upon conversion of all of the Non-Voting Shares into Canopy USA Class B Shares, the Canopy USA Common Shares will, subject to their terms, automatically convert into Canopy USA Class B Shares, provided that the number of Canopy USA Class B Shares to be issued to the former holders of the Canopy USA Common Shares will be equal to no less than 10% of the total issued and outstanding Canopy USA Class B Shares following such issuance. Accordingly, as a result of the Reorganization Amendments, in no circumstances will the Company, at the time of such conversions, own more than 90% of the Canopy USA Class B Shares.

In connection with the Reorganization Amendments, on May 19, 2023, Canopy USA and Huneus 2017 Irrevocable Trust (the “Trust”) entered into a share purchase agreement (the “Trust SPA”), which sets out the terms of the Trust’s investment in Canopy USA in the aggregate amount of up to US\$20 million (the “Trust Transaction”). Agustin Huneus, Jr. is the trustee of the Trust and is an affiliate of a shareholder of Jetty. Pursuant to the terms of the Trust SPA, the Trust was entitled, subject to certain terms and conditions contained in the Trust SPA, to be issued Canopy USA Common Shares in two tranches with an aggregate value of up to US\$10 million along with warrants of Canopy USA to acquire additional Canopy USA Common Shares. In addition, subject to the terms of the Trust SPA, the Trust has also been granted options to acquire additional Voting Shares (as defined in the A&R LLC Agreement) with a value of up to an additional US\$10 million and one such additional option includes the issuance of additional warrants of Canopy USA. On April 26, 2024, Canopy USA completed the first tranche closing of the Trust Transaction in accordance with the Trust SPA and pursuant to the Trust SPA, the timeline to complete the second tranche closing has lapsed and was not exercised by the Trust. As of June 30, 2025, the Trust holds an aggregate 28,571,429 Canopy USA Common Shares and warrants to acquire up to 85,714,284 Voting Shares expiring on April 26, 2031.

In addition, subject to the terms and conditions of the A&R Protection Agreement (as defined below) and the terms of the option agreements to acquire Wana and Jetty, as applicable, Canopy Growth may be required to issue additional common shares in satisfaction of certain deferred and/or option exercise payments to the shareholders of Wana and Jetty. Canopy Growth will receive additional Non-Voting Shares from Canopy USA as consideration for any Canopy Shares issued in the future to the shareholders of Wana and Jetty.

On November 3, 2023, the Company received a letter from the staff of the SEC (the “Staff”) in which the Staff indicated that, despite the Reorganization Amendments, it would object to the deconsolidation of the financial results of Canopy USA from the Company’s financial statements in accordance with U.S. GAAP once Canopy USA acquires Wana, Jetty or the Fixed Shares (as defined below) of Acreage. The Company subsequently had discussions with the Office of Chief Accountant of the SEC (the “OCA”) and determined to make certain additional amendments to the structure of Canopy USA (the “Additional Reorganization Amendments”) to facilitate the deconsolidation of Canopy USA from the financial results of Canopy Growth in accordance with U.S. GAAP upon Canopy USA’s acquisition of Wana, Jetty or Acreage. In connection with the Additional Reorganization Amendments, Canopy USA and its members entered into a second amended and restated limited liability company agreement (the “Second A&R LLC Agreement”). In accordance with the terms of the Second A&R LLC Agreement, the terms of the Non-Voting Shares have been amended such that the Non-Voting Shares are only convertible into Canopy USA Class B Shares following the date that the NASDAQ Stock Market or The New York Stock Exchange permit the listing of companies that consolidate the financial statements of companies that cultivate, distribute or possess marijuana (as defined in 21 U.S.C 802) in the United States (the “Stock Exchange Permissibility Date”). Based on the Company’s discussions with the OCA, upon effectuating the Additional Reorganization Amendments, the Company believes that the Staff would not object to the deconsolidation of the financial results of Canopy USA from the Company’s financial statements in accordance with U.S. GAAP.

Following the Reorganization, Reorganization Amendments and Additional Reorganization Amendments, on May 6, 2024, Canopy USA exercised the options (the “Wana Options”) to acquire Mountain High Products, LLC, Wana Wellness, LLC and The Cima Group, LLC (collectively, “Wana”), a leading cannabis edibles brand in North America, and subsequently closed the transactions to acquire Wana Wellness, LLC and The Cima Group, LLC. On October 8, 2024, Canopy USA closed the acquisition of Mountain High Products, LLC. In addition, Canopy USA exercised the options (the “Jetty Options”) to acquire Lemurian, Inc. (“Jetty”) a California-based producer of high-quality cannabis extracts and pioneer of clean vape technology and subsequently completed the first tranche closing to acquire Jetty. On June 4, 2024, the option to acquire the issued and outstanding Class E subordinate voting shares (the “Fixed Shares”) of Acreage, a leading vertically-integrated multi-state cannabis operator, with its main

operations in densely populated states across the Northeast U.S., including New Jersey and New York (the “Acreage Option”) was exercised and on December 9, 2024, Canopy USA completed the acquisition of all of the issued and outstanding Fixed Shares and Class D subordinate voting shares (the “Floating Shares”) of Acreage (the “Acreage Acquisition”). Certain entities controlled by Canopy USA (the “Canopy USA LPs”) also hold direct interests in the capital of TerrAscend Corp. (“TerrAscend”), a leading North American cannabis operator with vertically integrated operations and a presence in Pennsylvania, New Jersey, Michigan and California as well as licensed cultivation and processing operations in Maryland.

Canopy USA and the Canopy USA LPs currently hold an ownership interest in the following assets, among others:

- **Wana** – Canopy USA holds 100% of the membership interests of Wana.
- **Jetty** – Canopy USA holds approximately 77% of the shares of Jetty.
- **Acreage** – Canopy USA holds 100% of the issued and outstanding shares of Acreage.
- **TerrAscend** – the Canopy USA LPs hold an aggregate of 64,564,487 TerrAscend common shares (the “TerrAscend Common Shares”) on an as-converted basis and 22,474,130 TerrAscend Common Share purchase warrants with a weighted average exercise price of \$6.07 per TerrAscend Common Share and expiring on December 31, 2032 (the “TerrAscend Warrants”). Assuming full exercise of the TerrAscend Warrants, the Canopy USA LPs will hold an aggregate of 87,038,617 TerrAscend Common Shares on an as-converted basis assuming conversion of the TerrAscend exchangeable shares (the “TerrAscend Exchangeable Shares”) held by the Canopy USA LPs.

Following the implementation of the Reorganization, Canopy USA was determined to be a variable interest entity pursuant to ASC 810 - *Consolidations* (“ASC 810”) and prior to the completion of the Reorganization Amendments and the Additional Reorganization Amendments, Canopy Growth was determined to be the primary beneficiary of Canopy USA. As a result of such determination and in accordance with ASC 810, Canopy Growth consolidated the financial results of Canopy USA up to April 30, 2024. As of April 30, 2024, as a result of the series of transactions related to the Additional Reorganization Amendments described above, Canopy Growth has deconsolidated the financial results of Canopy USA and has a non-controlling interest in Canopy USA as of such date.

Ownership of U.S. Cannabis Investments

Following the implementation of the Reorganization, the shares and interests in Acreage, Wana and Jetty are held, directly or indirectly, by Canopy USA and the shares and warrants in TerrAscend are held directly by the Canopy USA LPs, and Canopy Growth no longer holds a direct interest in any shares or interests in such entities. Canopy Growth holds non-voting and non-participating shares (the “Non-Voting Shares”) in the capital of Canopy USA and an interest in the Canopy USA LPs. The Non-Voting Shares do not carry voting rights, rights to receive dividends or other rights upon dissolution of Canopy USA. Following the Reorganization Amendments, the Non-Voting Shares are convertible into Class B shares of Canopy USA (the “Canopy USA Class B Shares”), provided that such conversion shall only be permitted following the Stock Exchange Permissibility Date. The Company also has the right (regardless of the fact that its Non-Voting Shares are non-voting and non-participating) to appoint one member to the Canopy USA board of managers (the “Canopy USA Board”).

On October 24, 2022, Canopy USA and the Company also entered into an agreement with, among others, Nancy Whiteman, the controlling shareholder of Wana, which was amended and restated on May 19, 2023 and on April 30, 2024, whereby subsidiaries of Canopy USA agreed to pay additional consideration in order to acquire the Wana Options and the future payments owed in connection with the exercise of the Wana Options were reduced to US\$3.00 in exchange for the issuance of Canopy USA Common Shares and Canopy Shares (the “Wana Amending Agreement”). In accordance with the terms of the Wana Amending Agreement, on April 30, 2024, (i) Canopy USA issued 60,955,929 Canopy USA Common Shares and (ii) Canopy Growth issued 1,086,279 Canopy Shares to the shareholders of Wana. The Canopy USA Common Shares issued to Ms. Whiteman, or entities controlled by Ms. Whiteman, are subject to a repurchase right exercisable at any time after April 30, 2027, being the 36 month anniversary of the closing of the transaction contemplated by the Wana Amending Agreement (the “Wana Repurchase Right”) to repurchase all Canopy USA Common Shares that have been issued at a price per Canopy USA Common Share equal to the fair market value as determined by an appraiser. As part of this agreement, Canopy USA has granted Ms. Whiteman the right to appoint one member to the Canopy USA Board and a put right on the same terms and conditions as the Wana Repurchase Right.

As of June 30, 2025, the Trust holds 28,571,429 Canopy USA Common Shares, the shareholders of Wana collectively hold 60,955,929 Canopy USA Common Shares and a wholly-owned subsidiary of the Company holds all of the issued and outstanding Non-Voting Shares in the capital of Canopy USA, representing approximately 84.4% of the issued and outstanding shares in Canopy USA on an as-converted basis.

Canopy Growth and Canopy USA are also party to a protection agreement (the “Protection Agreement”) to provide for certain covenants in order to preserve the value of the Non-Voting Shares held by Canopy Growth until such time as the Non-Voting Shares are converted in accordance with their terms, provided that, such conversion shall only be permitted following the Stock Exchange Permissibility Date, but does not provide Canopy Growth with the ability to direct the business, operations or activities of Canopy

USA. The Protection Agreement was amended and restated in connection with: (a) the Reorganization Amendments (the “First A&R Protection Agreement”); and (b) the Additional Reorganization Amendments (the “Second A&R Protection Agreement” and together with the First A&R Protection Agreement, the “A&R Protection Agreement”).

Upon Canopy USA completing the Acreage Acquisition on December 9, 2024, Canopy Growth received additional Non-Voting Shares from Canopy USA in consideration for the issuance of (i) Canopy Shares to the former shareholders of Acreage in accordance with the terms of the Existing Acreage Arrangement Agreement (as defined below) and the arrangement agreement among Canopy Growth, Canopy USA and Acreage, as amended (the “Floating Share Arrangement Agreement”); (ii) Canopy Shares to an eligible participant pursuant to the then existing tax receivable bonus plans of High Street Capital Partners, LLC, a subsidiary of Acreage (“HSCP”); (iii) Canopy Shares in connection with Canopy USA’s acquisition of the minority interests of certain subsidiaries of Acreage; (iv) the issuance of Canopy Shares and warrants to certain securityholders of Acreage in order to satisfy an outstanding liability; and (v) Canopy Shares, warrants and other replacement securities in connection with the Acreage Acquisition.

Until such time as Canopy Growth converts its Non-Voting Shares into Canopy USA Class B Shares following the Stock Exchange Permissibility Date, Canopy Growth will have no economic or voting interest in Canopy USA or the Canopy USA LPs. Canopy USA will continue to operate independently of Canopy Growth.

Acreage Agreements

On June 4, 2024, the Acreage Option was exercised in accordance with the terms of the arrangement agreement dated April 18, 2019, as amended on May 15, 2019, September 23, 2020 and November 17, 2020 (the “Existing Acreage Arrangement Agreement”), with such exercise being completed in advance of the Exercise Outside Date (as defined in the Floating Share Arrangement Agreement). Concurrently with the closing of the acquisition of the Fixed Shares pursuant to the exercise of the Acreage Option, on December 9, 2024, the Fixed Shares were issued to Canopy USA upon closing of the Acreage Acquisition. Accordingly, Canopy Growth does not hold any Fixed Shares or Floating Shares. The acquisition of the Floating Shares pursuant to the Floating Share Arrangement occurred immediately prior to the acquisition of the Fixed Shares pursuant to the Existing Acreage Arrangement Agreement such that 100% of the issued and outstanding shares of Acreage are owned by Canopy USA. For additional details, see “Acreage Acquisition” below.

On June 3, 2024, the Company exercised its option to acquire certain outstanding debt of Acreage (the “Debt Acquisition”) in connection with the option agreement dated November 15, 2022 (the “Option Agreement”) among a wholly-owned subsidiary of Canopy Growth (the “Optionor”) and the lenders (the “Lenders”) party to Acreage’s credit agreement dated as of December 16, 2021, as amended by the first amendment to credit agreement dated as of October 24, 2022 and the second amendment to credit agreement dated as of April 28, 2023.

The Optionor entered into various agreements in connection with the Debt Acquisition in order to acquire approximately US\$99.8 million of Acreage’s outstanding debt (the “Acquired Debt”) from certain Lenders in exchange for US\$69.8 million in cash and the release of approximately US\$30.1 million (the “Option Premium”) that was held in escrow pursuant to the Option Agreement. The Option Premium was not included in Canopy Growth’s cash and cash equivalents as of March 31, 2024.

The Optionor subsequently transferred approximately US\$2.2 million of the Acquired Debt to the other Lender (the “Rolling Lender”) and entered into a series of agreements with the Rolling Lender and Acreage, among others, including an amended and restated credit agreement (the “First ARCA”), which provided for, among other things, the Acquired Debt, certain interest payments to be paid-in-kind, revisions to certain financial covenants and, following certain events, an extension to the maturity date.

On September 13, 2024, the Optionor entered into a series of transactions with, among others, Acreage, the Rolling Lender and an arm’s length third-party lender (the “Other Lender”). Pursuant to such transactions, all of Acreage’s indebtedness held by the Rolling Lender was acquired by the Other Lender. Following the acquisition by the Other Lender, the Optionor, the Other Lender and Acreage, among others, amended and restated the First ARCA pursuant to a second amended and restated credit agreement dated as of September 13, 2024 (the “Second ARCA”). Pursuant to the Second ARCA and an agreement among lenders entered into on September 13, 2024 between, among others, the Optionor and the Other Lender, all interest owing to the Optionor under the Second ARCA is, subject to the consent of the Other Lender, to be paid-in-kind and not in cash. Under the Second ARCA, as of September 13, 2024, the Optionor was owed an aggregate principal amount equal to approximately US\$102 million which is subordinate to approximately US\$65 million owed to the Other Lender. As previously disclosed in the Annual Report, Acreage was in default under the Second ARCA and the Lenders agreed to forbear from exercising remedies with respect to such default while the parties discussed potential solutions, including additional financing.

As of June 30, 2025, the aggregate principal amount owing to the Optionor was approximately US\$113 million and the aggregate principal amount owing to the Other Lender was approximately US\$65 million.

On July 29, 2025, the Company entered into the Third Paydown Agreement in order to permit the Company to grant Canopy USA certain consents (the “Acreage Financing Consent”) in order to allow Canopy USA to secure from the Other Lender an additional US\$22 million in financing for Acreage and its subsidiaries (the “Acreage Financing”). In connection with the Acreage Financing, the Optionor, the Other Lender and Acreage, among others, amended and restated the Second ARCA pursuant to a third

amended and restated credit agreement dated as of July 29, 2025 (the “Third ARCA”). As a result of the Acreage Financing and Third ARCA, Acreage is no longer in default under its senior secured credit facilities.

Acreage Acquisition

On December 9, 2024, Canopy USA completed the Acreage Acquisition and now owns 100% of the issued and outstanding shares of Acreage. In connection with: (i) the Existing Acreage Arrangement Agreement and the amended and restated plan of arrangement (the “Acreage Amended Arrangement”); and (ii) the Floating Share Arrangement Agreement, Canopy USA acquired all of the issued and outstanding Floating Shares of Acreage on the terms and conditions set forth in the court-approved plan of arrangement (the “Floating Share Arrangement”). Immediately following the implementation of the Floating Share Arrangement, Canopy USA acquired all of the issued and outstanding Fixed Shares of Acreage (the “Fixed Share Acquisition”).

In accordance with the Floating Share Arrangement, registered holders of Floating Shares received 0.045 of a Canopy Share for each Floating Share (the “Floating Share Exchange Ratio”). In connection with the Fixed Share Acquisition, each of the outstanding Fixed Shares was exchanged for 0.0000000617 of a Canopy Share for each Fixed Share, as adjusted pursuant to the terms and conditions set forth in the Existing Acreage Arrangement Agreement (the “Fixed Share Exchange Ratio”). In aggregate, Canopy Growth issued 5,888,291 Canopy Shares to former shareholders of Acreage.

Pursuant to the Floating Share Arrangement, (i) each outstanding stock option to acquire Floating Shares was exchanged for a replacement option exercisable for Canopy Shares, with the number of underlying Canopy Shares and exercise price of such options adjusted by the Floating Share Exchange Ratio; (ii) each outstanding warrant to acquire Floating Shares was exchanged for a replacement warrant to acquire Canopy Shares, with the number of underlying Canopy Shares and exercise price of such warrants adjusted by the Floating Share Exchange Ratio; and (iii) each outstanding restricted share unit, performance share and performance unit, as applicable, that vested into Floating Shares was exchanged for a replacement restricted share unit, performance share or performance unit, as applicable, that vests into Canopy Shares, with the number of underlying Canopy Shares adjusted by the Floating Share Exchange Ratio.

In connection with the Fixed Share Acquisition, (i) each outstanding stock option to acquire Fixed Shares was exchanged for a replacement option exercisable for Canopy Shares, with the number of underlying Canopy Shares and exercise price of such options adjusted by the Fixed Share Exchange Ratio; (ii) each outstanding warrant to acquire Fixed Shares was exchanged for a replacement warrant to acquire Canopy Shares, with the number of underlying Canopy Shares and exercise price of such warrants adjusted by the Fixed Share Exchange Ratio; and (iii) each restricted share unit and performance share unit, as applicable, that vested into Fixed Shares was exchanged for a replacement restricted share unit or performance share unit, as applicable, that vests into Canopy Shares, with the number of underlying Canopy Shares adjusted by the Fixed Share Exchange Ratio.

In addition, Canopy Growth: (i) issued 5,118,426 Canopy Shares to an eligible participant pursuant to the existing tax receivable bonus plans of HSCP; and (ii) 306,151 Canopy Shares were issuable in connection with Canopy USA’s acquisition of the minority interests of certain subsidiaries of Acreage, of which 237,682 Canopy Shares were issued as of June 30, 2025.

Immediately following the closing of the Acreage Acquisition, Canopy Growth issued an aggregate of 1,315,553 Canopy Shares and 1,197,658 common share purchase warrants to certain securityholders of Acreage in order to satisfy an outstanding liability. Each common share purchase warrant entitles the holder thereof to acquire one Canopy Share at an exercise price of US\$3.66 until June 6, 2029.

In exchange for the issuances of Canopy Shares, warrants and other replacement securities in connection with the Acreage Acquisition, Canopy Growth received additional Non-Voting Shares with a value of \$50.8 million and Canopy USA delivered guarantees in respect of the obligations owing pursuant to the Elevate (as defined below) loan receivable. Refer to Note 10 for more information on Canopy USA investment balances.

Recent Developments

February 2025 ATM Program

On February 28, 2025, we established a new at-the-market equity program that allows us to issue and sell up to US\$200 million of Canopy Shares to the public from time to time at our discretion (the “February 2025 ATM Program”) pursuant to an equity distribution agreement (as amended, the “2025 Equity Distribution Agreement”) entered into among us and BMO Nesbitt Burns Inc., as Canadian agent, and BMO Capital Markets Corp., as U.S. agent (together, the “Agents”). The February 2025 ATM Program will be effective until the earlier of (i) the issuance and sale of all of the Canopy Shares issuable pursuant to the February 2025 ATM Program; (ii) the date on which the Company receives notice from a securities regulatory authority that the Company’s Canadian short form base shelf prospectus dated June 5, 2024 and/or the Company’s registration statement, as amended, filed with the SEC has ceased to be effective; and (iii) July 5, 2026, unless terminated earlier in accordance with the terms of the 2025 Equity Distribution Agreement. The 2025 Equity Distribution Agreement replaced the equity distribution agreement dated June 6, 2024, among us and the Agents that established our prior at-the-market equity program (the “June 2024 ATM Program”).

During the three months ended June 30, 2025, we sold 21,006,528 Canopy Shares for gross proceeds of approximately \$38.3 million (US\$27.9 million) under the February 2025 ATM Program.

Credit Facility Prepayments

On July 29, 2025, we entered into an agreement (the “Third Paydown Agreement”) with certain lenders under our Credit Facility. Pursuant to the Third Paydown Agreement, we are required to make the following prepayments: (i) US\$25 million at par on or about July 31, 2025; (ii) US\$10 million at par on or prior to December 31, 2025; and (iii) US\$15 million at par on or prior to March 31, 2026. On July 31, 2025, we made the first of the three prepayments required under the Third Paydown Agreement, which resulted in an aggregate principal reduction of US\$25 million under our Credit Facility.

Canadian Federal Income Tax Proposals

Proposed amendments to the *Income Tax Act* (Canada) originally released on June 10, 2024 with revised proposals released on August 12, 2024 and September 23, 2024, (collectively the “Capital Gains Proposals”), would, if enacted, generally increase the capital gains inclusion rate from one-half to two-thirds for corporations and trusts, and from one-half to two-thirds for individuals on the portion of capital gains realized, including capital gains realized indirectly through a trust or partnership, in a taxation year that exceed \$250,000.

On March 21, 2025, Prime Minister Carney announced that the Government of Canada will cancel the Capital Gains Proposals.

Part 2 - Results of Operations

The results of operations presented below reports the financial performance of the continuing operations of Canopy Growth for the three months ended June 30, 2025.

Discussion of Results of Operations for the Three Months Ended June 30, 2025

(in thousands of Canadian dollars, except share amounts and where otherwise indicated)	Three months ended June 30,			
	2025	2024	\$ Change	% Change
Selected consolidated financial information:				
Net revenue	\$ 72,134	\$ 66,212	\$ 5,922	9%
Gross margin percentage	25%	35%	-	(1,000) bps
Net loss from continuing operations	\$ (41,527)	\$ (129,191)	\$ 87,664	68%
Basic and diluted loss per share from continuing operations ¹	\$ (0.22)	\$ (1.63)	\$ 1.41	87%

¹ For the three months ended June 30, 2025, the weighted average number of outstanding Canopy Shares, basic and diluted, totaled 188,321,555 (three months ended June 30, 2024 - 79,243,020).

Revenue

We report net revenue in two segments: (i) Cannabis; and (ii) Storz & Bickel. The following table presents segmented net revenue for the three months ended June 30, 2025 and 2024:

Net Revenue	Three months ended June 30,			
(in thousands of Canadian dollars)	2025	2024	\$ Change	% Change
Cannabis				
Canadian adult-use cannabis ¹	\$ 27,021	\$ 18,883	\$ 8,138	43%
Canadian medical cannabis ²	21,206	18,795	2,411	13%
International markets cannabis	8,755	8,415	\$ 340	4%
	<u>\$ 56,982</u>	<u>\$ 46,093</u>	<u>\$ 10,889</u>	<u>24%</u>
Storz & Bickel	<u>\$ 15,152</u>	<u>\$ 20,119</u>	<u>\$ (4,967)</u>	<u>(25%)</u>
Net revenue	\$ 72,134	\$ 66,212	\$ 5,922	9%

¹ Includes excise taxes of \$14,199 and other revenue adjustments, representing our determination of returns and pricing adjustments, of \$923 for the three months ended June 30, 2025 (three months ended June 30, 2024 - excise taxes of \$7,517 and other revenue adjustments of \$1,200).

² Includes excise taxes of \$2,415 for the three months ended June 30, 2025 (three months ended June 30, 2024 - \$2,054).

Net revenue was \$72.1 million in the first quarter of fiscal 2026, an increase of \$5.9 million as compared to \$66.2 million in the first quarter of fiscal 2025.

Cannabis

Net revenue from our Cannabis segment was \$57.0 million in the first quarter of fiscal 2026, as compared to \$46.1 million in the first quarter of fiscal 2025.

Canadian adult-use cannabis net revenue was \$27.0 million in the first quarter of fiscal 2026, as compared to \$18.9 million in the first quarter of fiscal 2025. The year-over-year increase is primarily attributable to growth in flower and infused PRJ offerings, partially offset by declines in edibles and non-infused PRJs.

Canadian medical cannabis net revenue was \$21.2 million in the first quarter of fiscal 2026, as compared to \$18.8 million in the first quarter of fiscal 2025. The year-over-year increase is primarily attributable to an increase in the number of insured customers, increased order sizes from our insured customers, and a larger assortment of cannabis product choices offered to our customers.

International markets cannabis revenue was \$8.8 million in the first quarter of fiscal 2026, as compared to \$8.4 million in the first quarter of fiscal 2025. The year-over-year increase is primarily attributable to the increased shipments of flower products in Europe, which was offset by a decline in our Australian medical cannabis business.

Storz & Bickel

Revenue from Storz & Bickel was \$15.2 million in the first quarter of fiscal 2026, as compared to \$20.1 million in the first quarter of fiscal 2025. The year-over-year decrease is primarily attributable to lapping strong sales in the prior year and consumer economic uncertainty.

Cost of Goods Sold and Gross Margin

The following table presents cost of goods sold, gross margin and gross margin percentage on a consolidated basis for the three months ended June 30, 2025 and 2024:

(in thousands of Canadian dollars except where indicated)	Three months ended June 30,		\$ Change	% Change
	2025	2024		
Net revenue	\$ 72,134	\$ 66,212	\$ 5,922	9%
Cost of goods sold	\$ 54,096	\$ 43,181	\$ 10,915	25%
Gross margin	18,038	23,031	(4,993)	(22%)
Gross margin percentage	25%	35%	-	(1,000) bps

Cost of goods sold was \$54.1 million in the first quarter of fiscal 2026, as compared to \$43.2 million in the first quarter of fiscal 2025. Our gross margin was \$18.0 million in the first quarter of fiscal 2026, or 25% of net revenue, as compared to a gross margin of \$23.0 million and gross margin percentage of 35% of net revenue in the first quarter of fiscal 2025. The year-over-year decrease in the gross margin percentage is primarily attributable to costs related to new product launches, as well as shifts in both product and geographical mix, and increases in freight costs.

We report gross margin and gross margin percentage in two segments: (i) Cannabis; and (ii) Storz & Bickel. The following table presents segmented gross margin and gross margin percentage for the three months ended June 30, 2025 and 2024:

	Three months ended June 30,			
(in thousands of Canadian dollars except where indicated)	2025	2024	\$ Change	% Change
Cannabis segment				
Net revenue	\$ 56,982	\$ 46,093	\$ 10,889	24%
Cost of goods sold	43,391	30,822	12,569	41%
Gross margin	13,591	15,271	(1,680)	(11%)
Gross margin percentage	24%	33%		(900) bps
Storz & Bickel segment				
Revenue	\$ 15,152	\$ 20,119	\$ (4,967)	(25%)
Cost of goods sold	10,705	12,359	(1,654)	(13%)
Gross margin	4,447	7,760	(3,313)	(43%)
Gross margin percentage	29%	39%		(1,000) bps

Cannabis

Gross margin for our Cannabis segment was \$13.6 million in the first quarter of fiscal 2026, or 24% of net revenue, as compared to \$15.3 million in the first quarter of fiscal 2025, or 33% of net revenue. The year-over-year decrease in the gross margin percentage was primarily attributable to costs related to new product launches and a shift in both product and geographical mix.

Storz & Bickel

Gross margin for our Storz & Bickel segment was \$4.4 million in the first quarter of fiscal 2026, or 29% of net revenue, as compared to \$7.8 million in the first quarter of fiscal 2025, or 39% of net revenue. The year-over-year decrease in the gross margin percentage is primarily attributable to lower sales and shifts in geographic mix.

Operating Expenses

The following table presents operating expenses for the three months ended June 30, 2025 and 2024:

(in thousands of Canadian dollars)	Three months ended June 30,		\$ Change	% Change
	2025	2024		
Operating expenses				
General and administrative	\$ 14,698	\$ 18,907	\$ (4,209)	(22%)
Sales and marketing	15,833	15,248	585	4%
Acquisition, divestiture, and other costs	2,111	7,775	(5,664)	(73%)
Depreciation and amortization	5,466	6,038	(572)	(9%)
Selling, general and administrative expenses	38,108	47,968	(9,860)	(21%)
Share-based compensation	(99)	4,151	(4,250)	(102%)
Loss on asset impairment and restructuring	2,653	20	2,633	13,165%
Total operating expenses	\$ 40,662	\$ 52,139	\$ (11,477)	(22%)

Selling, general and administrative expenses

Selling, general and administrative expenses were \$38.1 million in the first quarter of fiscal 2026, as compared to \$48.0 million in the first quarter of fiscal 2025.

General and administrative expense was \$14.7 million in the first quarter of fiscal 2026, as compared to \$18.9 million in the first quarter of fiscal 2025. The year-over-year decrease is primarily attributable to: (i) continued reductions in headcount; and (ii) lower third party costs, including insurance, professional fees and IT costs.

Sales and marketing expense was \$15.8 million in the first quarter of fiscal 2026, as compared to \$15.2 million in the first quarter of fiscal 2025. The year-over-year increase is primarily attributable to increased costs associated with: (i) customer acquisition costs; and (ii) royalties and other variable marketing costs. The increased costs were partially offset by continued reductions in headcount.

Acquisition, divestiture, and other costs were \$2.1 million in the first quarter of fiscal 2026, as compared to \$7.8 million in the first quarter of fiscal 2025. In the first quarter of fiscal 2026, costs were incurred primarily in relation to:

- continued legal costs arising from the restatement of our consolidated financial statements in connection with the review of the financial reporting matters related to the BioSteel business unit for the following previously filed periods: (i) audited consolidated financial statements for the fiscal year ended March 31, 2022, originally included in our Annual Report on Form 10-K for such fiscal year, and (ii) unaudited consolidated financial statements for the quarterly periods ended June 30, 2022, September 30, 2022 and December 31, 2022, originally included in our Quarterly Reports on Form 10-Q for such quarterly periods; and
- other non-recurring acquisition and divestiture costs.

Comparatively, in the first quarter of fiscal 2025, costs were incurred primarily in relation to:

- the Reorganization of Canopy USA;
- costs associated with the Debt Acquisition of Acreage; and
- continued legal costs arising from the restatement of our consolidated financial statements for the periods described above, in connection with the review of the financial reporting matters related to the BioSteel business unit.

Depreciation and amortization expense was \$5.5 million in the first quarter of fiscal 2026, as compared to \$6.0 million in the first quarter of fiscal 2025. The year-over-year decrease is primarily attributable to the reduction in new capital expenditures.

Share-based compensation

Share-based compensation was -\$0.1 million in the first quarter of fiscal 2026, as compared to \$4.2 million in the first quarter of fiscal 2025. The year-over-year decrease is primarily attributable to: (i) higher estimated forfeitures in the first quarter of fiscal 2026 due to departures of certain executives; and (ii) lower expense due to reduced headcount. The decrease is offset by the first quarter of fiscal 2026 grant of 2.5 million options and 3.3 million restricted share units.

Loss on asset impairment and restructuring

Loss on asset impairment and restructuring recorded in operating expenses was \$2.7 million in the first quarter of fiscal 2026, as compared to \$0.02 million in the first quarter of fiscal 2025.

Loss on asset impairment and restructuring recorded in the first quarter of fiscal 2026 related primarily to employee restructuring costs.

Comparatively, in the first quarter of fiscal 2025, the loss on asset impairment and restructuring related primarily to employee restructuring costs and ongoing holding costs to maintain previously restructured sites. These amounts were offset by a gain related to remeasurement of a lease liability.

Other

The following table presents other income (expense), net, and income tax expense for the three months ended June 30, 2025 and 2024:

(in thousands of Canadian dollars)	Three months ended June 30,		\$ Change	% Change
	2025	2024		
Other income (expense), net	(18,612)	(93,889)	75,277	80%
Income tax expense	(291)	(6,194)	5,903	95%

Other income (expense), net

Other income (expense), net was an expense amount of \$18.6 million in the first quarter of fiscal 2026, as compared to an expense amount of \$93.9 million in the first quarter of fiscal 2025. The year-over-year change of \$75.3 million is primarily attributable to:

- Change of \$65.1 million related to non-cash fair value changes on our Canopy USA related assets and other financial assets, from an expense amount of \$75.2 million in the first quarter of fiscal 2025 to an expense amount of \$10.1 million in the first quarter of fiscal 2026. The expense amount recognized in the first quarter of fiscal 2026 is primarily attributable to a fair value decrease relating to our investment in:
 - o the Canopy USA LPs equity method investment in the amount of \$15.6 million.

This fair value decrease was partially offset by a fair value increase related to our investment in:

- o the Canopy Elevate I LLC, Canopy Elevate II LLC and Canopy Elevate III LLC (collectively, "Elevate") loan receivable, in the amount of \$5.5 million relating to fair value movements in consideration of the debtor's net assets.

Comparatively, the expense amount in the first quarter of fiscal 2025 was primarily attributable to fair value decreases relating to our investments in:

- o the Canopy USA, LLC and the Canopy USA LPs equity method investments in the aggregate amount of \$76.0 million;
- o the Acreage financial instrument, in the amount of \$31.8 million. On a quarterly basis, we determine the fair value of the Acreage financial instrument using a probability-weighted expected return model, incorporating several potential scenarios and outcomes associated with the Acreage Amended Arrangement. The fair value decrease in the first quarter of fiscal 2025 is primarily attributable to an increase of approximately 75% in our share price up to the Deconsolidation Date (as defined below), relative to an increase of approximately 46% in Acreage's share price during that same period. As a result, the model at the Deconsolidation Date reflects both a higher estimated value of the Canopy Growth common shares expected to be issued upon Canopy USA's acquisition of Acreage, and a higher estimated value of the Acreage shares expected to be acquired at that time. In the period up to the Deconsolidation Date, the relative share price movements resulted in a decrease in the value of the Acreage financial instrument; and
- o Indiva Limited shares, in the amount of \$2.8 million due a decrease in their share price as a result of their CCAA proceedings.

These fair value decreases were partially offset by a fair value increase related to our investment in:

- o the TerrAscend Exchangeable Shares, in the amount of \$17.3 million, which was primarily attributable to an increase of approximately 16% in TerrAscend's share price up to April 30, 2024, being the date that Canopy

Growth deconsolidated the financial results of Canopy USA as part of the Canopy USA Transaction (the “Deconsolidation Date”);

- o the TerrAscend Warrants, in the amount of \$7.9 million, which was primarily attributable to an increase of approximately 16% in TerrAscend’s share price up to the Deconsolidation Date;
 - o the Elevate loan receivable, in the amount of \$7.3 million relating to fair value movements in consideration of the debtor’s net assets; and
 - o the Acreage debt Option Premium, in the amount of \$3.1 million related to closing of the Debt Acquisition and release of the amount that was previously held in escrow pursuant to the Option Agreement.
- Change of \$26.8 million related to fair value changes on acquisition related contingent consideration and other, from an expense amount of \$26.8 million in the first quarter of fiscal 2025 to \$nil in the first quarter of fiscal 2026. No fair value changes occurred in the first quarter of fiscal 2026. Comparatively, the fair value change in the first quarter of fiscal 2025, related primarily to various acquisition related contingent consideration.
 - Change of \$22.1 million related to charges associated with the settlement of our debt, from an income amount of \$22.1 million in the first quarter of fiscal 2025 to \$nil in the first quarter of fiscal 2026. In the first quarter of fiscal 2026, settlement of debt balances did not result in any gains or losses. Comparatively, in the first quarter of fiscal 2025, we recognized a gain of \$22.1 million, primarily in connection with the exchange of the CBI Note (as defined below).
 - Decrease in interest income of \$1.0 million, from \$2.1 million in the first quarter of fiscal 2025 to \$1.1 million in the first quarter of fiscal 2026. The year-over-year decrease is attributable to lower cash and cash equivalents and short-term investment balances.
 - Decrease in interest expense of \$11.4 million, from \$21.1 million in the first quarter of fiscal 2025 to \$9.7 million in the first quarter of fiscal 2026. The year-over-year decrease is primarily attributable to the reduction of our debt balances.

Income tax expense

Income tax expense in the first quarter of fiscal 2026 was \$0.3 million, compared to income tax expense of \$6.2 million in the first quarter of fiscal 2025. In the first quarter of fiscal 2026, income tax expense consisted of deferred income tax expense of \$0.1 million (compared to an expense of \$6.0 million in the first quarter of fiscal 2025) and current income tax expense of \$0.2 million (compared to an expense of \$0.2 million in the first quarter of fiscal 2025).

The decrease of \$5.9 million in the deferred income tax expense is primarily a result of the settlement of the CBI Note in the first quarter of fiscal 2025, that did not recur in the first quarter of fiscal 2026 and utilization of losses for tax purposes, where the accounting criteria for recognition of an asset has been met.

The current income tax expense remained consistent year over year and arose primarily in connection with tax on income for tax purposes that could not be reduced by the group’s tax attributes in the current taxation year.

Net Loss from Continuing Operations

The net loss from continuing operations in the first quarter of fiscal 2026 was \$41.5 million, as compared to a net loss of \$129.2 million in the first quarter of fiscal 2025. The year-over-year decrease in the net loss is primarily attributable to: (i) the year-over-year change in other income (expense), net, of \$75.3 million; and (ii) the decrease in operating loss from continuing operations. These variances are described above.

Adjusted EBITDA (Non-GAAP Measure)

Our “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 calculates Adjusted EBITDA 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 our supply chain processes are not excluded from Adjusted EBITDA given their occurrence through the normal course of core operational activities. Accordingly, management believes that Adjusted EBITDA provides meaningful and useful financial information, as this measure demonstrates the operating performance of businesses.

The following table presents Adjusted EBITDA for the three months ended June 30, 2025 and 2024:

(in thousands of Canadian dollars)	Three months ended June 30,		\$ Change	% Change
	2025	2024		
Net loss from continuing operations	\$ (41,527)	\$ (129,191)	\$ 87,664	68%
Income tax expense	291	6,194	(5,903)	(95%)
Other (income) expense, net	18,612	93,889	(75,277)	(80%)
Share-based compensation	(99)	4,151	(4,250)	(102%)
Acquisition, divestiture, and other costs	2,484	8,627	(6,143)	(71%)
Depreciation and amortization	9,670	11,030	(1,360)	(12%)
Loss on asset impairment and restructuring	2,653	20	2,633	13,165%
Adjusted EBITDA	<u>\$ (7,916)</u>	<u>\$ (5,280)</u>	<u>\$ (2,636)</u>	<u>(50%)</u>

The Adjusted EBITDA loss in the first quarter of fiscal 2026 was \$7.9 million, as compared to an Adjusted EBITDA loss of \$5.3 million in the first quarter of fiscal 2025. The year-over-year increase in Adjusted EBITDA loss is primarily attributable to softer gross margins across the business, offset by selling, general and administrative expense cost savings.

Part 3 – Financial Liquidity and Capital Resources

The Interim Financial Statements have been prepared in accordance with generally accepted accounting principles on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

In our consolidated financial statements for the fiscal year ended March 31, 2023, we raised substantial doubt about our ability to continue as a going concern for at least twelve months from the issuance of those consolidated financial statements, due to certain material debt obligations coming due in the short-term, recurring losses from operations and additional required financing to fund our business and operations.

As of the date of the Annual Report, we were able to successfully mitigate the substantial doubt by completing several balance sheet actions, as described in the Annual Report. During the three months ended June 30, 2025, we experienced recurring losses from operations and required additional capital to fund our operations, which raised substantial doubt about our ability to continue as a going concern. However, we also completed additional actions during the three months ended June 30, 2025, which included the sale of additional Canopy Shares under the February 2025 ATM Program, pursuant to which an aggregate of 21,006,528 Canopy Shares were issued and sold for gross proceeds of approximately \$38,261. We continue to evaluate different strategies and may pursue additional actions that are expected to further increase our liquidity position, including, but not limited to, pursuing additional actions to find cost-savings and seeking additional financing from both the public and private markets through the issuance of equity and/or debt securities.

We have access to further liquidity through public offerings of equity and debt securities. To facilitate such offerings, in June 2024, we filed (a) a shelf registration statement with the SEC (as amended, the “Shelf Registration Statement”); and (b) a short form base shelf prospectus dated June 5, 2024 that is effective for a 25 month period (the “Canadian Shelf Prospectus”). Pursuant to the Shelf Registration Statement, we may sell securities up to an aggregate total offering price of US\$500 million. Pursuant to the Canadian Shelf Prospectus we may sell securities up to an aggregate total offering price of US\$500 million (or the equivalent thereof in other currencies). The securities covered by the Shelf Registration Statement and the Canadian Shelf Prospectus include: (i) Canopy Shares; (ii) Exchangeable Shares; (iii) debt securities; (iv) subscription receipts; (v) warrants; and (vi) units consisting of one or more of such securities or any combination of these securities. The specifics of any future offerings, along with the use of proceeds of any securities offered, will be described in detail in a prospectus supplement, or other offering materials, at the time of any offering.

We may also access liquidity through the February 2025 ATM Program, pursuant to which we may sell, from time to time, up to US\$105.6 million of additional Canopy Shares as of the date hereof. Refer to Notes 17 and 28 to the Interim Financial Statements.

As a result of our plans above, our financial results for the three months ended June 30, 2025, and the actions taken during the three months ended June 30, 2025, we conclude that the substantial doubt about our ability to continue as a going concern has been alleviated.

As of June 30, 2025, we had cash and cash equivalents of \$126.2 million and short-term investments of \$17.4 million.

We have recently completed the following debt and equity financings:

- On April 18, 2024, we entered into an exchange agreement (the “April 2024 Exchange Agreement”) with Greenstar Canada Investment Limited Partnership (“Greenstar”), pursuant to which Greenstar converted approximately \$81.2 million of the principal amount of the \$100 million principal amount promissory note issued to Greenstar and payable on December 31, 2024 (the “CBI Note”) into 9,111,549 Exchangeable Shares, calculated based on a price per Exchangeable Share equal to \$8.91 (the “Note Exchange”). Pursuant to the terms of the April 2024 Exchange Agreement, all accrued but unpaid interest on the CBI Note together with the remaining principal amount of the CBI Note was cancelled and forgiven for no additional consideration

by Greenstar. Following the closing of the Note Exchange, there is no outstanding balance owing under the CBI Note and the CBI Note has been cancelled.

- On May 2, 2024, we entered into an exchange and subscription agreement (the “Exchange and Subscription Agreement”) with a single institutional investor (the “May 2024 Investor”) pursuant to which, among other things, the May 2024 Investor delivered to us approximately \$27.5 million aggregate principal amount of outstanding Supreme Debentures (as defined below) and Accretion Debentures (as defined below) held by the May 2024 Investor and paid us approximately \$68.3 million (US\$50.0 million) in exchange for us issuing to the May 2024 Investor (i) a new senior unsecured convertible debenture of the Company (the “May 2024 Convertible Debenture”) with an aggregate principal amount of approximately \$96.4 million maturing five years from the closing date (the “Closing Date”) of the transaction (the “Transaction”) and (ii) 3,350,430 common share purchase warrants (the “May 2024 Investor Warrants”). Each May 2024 Investor Warrant entitles the holder to acquire one Canopy Share at an exercise price equal to \$16.18 per Canopy Share for a period of five years from the Closing Date. The May 2024 Convertible Debenture bears interest at a rate of 7.50% per annum, payable in semi-annual payments in cash or, at our option, in Canopy Shares for the first four semi-annual interest payments after the Closing Date, subject to satisfaction of certain conditions, including the prior approval of the TSX.

The May 2024 Convertible Debenture is convertible into Canopy Shares at the option of the May 2024 Investor at a conversion price equal to \$14.38 per share. The May 2024 Convertible Debenture is subject to a forced conversion feature upon notice from us in the event that the average closing trading price of the Canopy Shares on the TSX exceeds \$21.57 for a period of 10 consecutive trading days. In addition, pursuant to the terms of the May 2024 Convertible Debenture, for so long as the principal amount under the May 2024 Convertible Debenture remains outstanding (the “Debenture ROFR Term”), we granted the May 2024 Investor a right of first refusal to subscribe for, and to be issued, as an investor in any debt or equity financing that we wish to complete during the Debenture ROFR Term (the “Proposed Financing”); provided, however, that the May 2024 Investor shall subscribe for 25% of the Proposed Financing on the same terms and conditions contemplated in the Proposed Financing.

- On June 6, 2024, we established the June 2024 ATM Program that allowed us to sell up to US\$250 million of Canopy Shares from treasury to the public from time to time at our discretion. The June 2024 ATM Program has been completed and a total of 71,044,862 Canopy Shares have been sold at an average price of \$4.89 per Canopy Share, for gross proceeds of \$347.1 million (US\$250 million) and net proceeds, inclusive of commissions and fees, of \$341.8 million. Since the establishment of the June 2024 ATM Program, we have paid an aggregate amount of \$5.2 million as compensation to the Agents under the June 2024 ATM Program.
- On August 20, 2024, we entered into an exchange and subscription agreement (the “August 2024 Supreme Convertible Debt Exchange”) with a single institutional investor (the “August 2024 Investor”) pursuant to which, among other things, the August 2024 Investor delivered to the Company approximately \$2.7 million of aggregate principal amount of outstanding Supreme Debentures held by the August 2024 Investor in exchange for 291,351 Canopy Shares and \$0.03 million in cash for accrued interest.
- On February 28, 2025, we established the February 2025 ATM Program that allows us to issue and sell up to US\$200 million Canopy Shares to the public from time to time at our discretion. As of August 6, 2025, we sold an aggregate of 78,782,237 Canopy Shares at an average price of \$1.66 per Canopy Share, for gross proceeds of \$130.9 million (US\$94.4 million) and net proceeds, inclusive of commissions and fees, of \$129.6 million (US\$93.4 million). Since the establishment of the February 2025 ATM Program, we have paid an aggregate amount of \$1.3 million (US\$1.0 million) as compensation to the Agents under the February 2025 ATM Program. As of August 6, 2025, we can issue and sell up to US\$105.6 million of Canopy Shares under the February 2025 ATM Program.

In addition to the above, we continue to review and pursue selected external financing sources to ensure adequate financial resources. These potential sources include, but are not limited to: (i) obtaining financing from traditional or non-traditional investment capital organizations; (ii) obtaining funding from the sale of Canopy Shares or other equity or debt instruments; and (iii) obtaining debt financing with lending terms that more closely match our business model and capital needs. We may from time to time seek to retire our outstanding debt through cash purchases and/or exchanges for equity securities, and open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Cash Flows

The following table presents cash flows for the three months ended June 30, 2025 and 2024:

(in thousands of Canadian dollars)	Three months ended June 30,	
	2025	2024
Net cash (used in) provided by:		
Operating activities	\$ (10,337)	\$ (51,780)
Investing activities ¹	(705)	(33,029)
Financing activities	25,460	105,775
Effect of exchange rate changes on cash and cash equivalents	(2,027)	890
Net increase in cash and cash equivalents	12,391	21,856
Cash and cash equivalents, beginning of period	113,811	170,300
Cash and cash equivalents, end of period	\$ 126,202	\$ 192,156

¹ Includes net cash provided by investing activities from discontinued operations of \$nil and \$10,157 for the three months ended June 30, 2025 and 2024, respectively.

Operating activities

Cash used in operating activities totaled \$10.3 million in the three months ended June 30, 2025, as compared to cash used of \$51.8 million in the three months ended June 30, 2024. The decrease in the cash used in operating activities is primarily due to: (i) a reduction in the cash interest paid due to timing of payments compared to the prior quarter and a reduction in our debt balances; and (ii) year-over-year change in working capital movements due to decreased spending and timing.

Investing activities

The cash used in investing activities totaled \$0.7 million in the three months ended June 30, 2025, as compared to cash used of \$33.0 million in the three months ended June 30, 2024.

In the three months ended June 30, 2025, purchases of property, plant and equipment were \$1.3 million, primarily related to production equipment enhancements made at certain of our Canadian cultivation and production facilities, and at our Storz & Bickel facilities. Comparatively, in the three months ended June 30, 2024, we invested \$3.9 million in building improvements and production equipment enhancements made at certain of our Canadian cultivation and production facilities.

In the three months ended June 30, 2025, our strategic investments in other financial assets were \$nil as we made no new investments in the period. Comparatively, in the three months ended June 30, 2024, our strategic investments in other financial assets were \$95.3 million and related primarily to the cash payment to acquire the outstanding principal, including all accrued and unpaid interest thereon, of Acreage's debt, being an amount up to US\$150.0 million (the "Acreage Debt").

Net redemptions of short-term investments in the three months ended June 30, 2025 were \$0.8 million, as compared to net redemptions of \$30.0 million in the three months ended June 30, 2024. The year-over-year decrease in the net redemptions relates to timing of maturities and reinvestment in our short-term investments. As at June 30, 2025, we had short-term investments remaining of \$17.4 million.

Net cash flow on sale or deconsolidation of subsidiaries in the three months ended June 30, 2025 was \$nil as there were no sale of subsidiaries in the period. Comparatively, net cash flow in the three months ended June 30, 2024 was an outflow of \$7.0 million and related to the deconsolidation of Canopy USA, refer to Note 3 to the Interim Financial Statements for details.

Additional cash inflows during the three months ended June 30, 2025 include proceeds of \$0.01 million from the sale of property, plant and equipment. Comparatively, additional cash inflows during the three months ended June 30, 2024 include proceeds of \$4.9 million from the sale of property, plant and equipment, primarily in relation to previous restructuring actions.

Net cash flow on loan receivable resulted in a cash inflow of \$nil in the three months ended June 30, 2025 as there were no loan repayment receipts during the period. Comparatively, net cash flow on loan receivable in the three months ended June 30, 2024 of \$28.1 million primarily related to cash receipts from various loan repayments.

Financing activities

The cash provided by financing activities in the three months ended June 30, 2025 was \$25.5 million, as compared to cash provided of \$105.8 million in the three months ended June 30, 2024. In the three months ended June 30, 2025, \$38.3 million in gross proceeds were received from the sale of Canopy Shares under the February 2025 ATM Program. Comparatively, in the three months ended June 30, 2024, \$46.3 million in gross proceeds were received from the sale of Canopy Shares under the June 2024 ATM Program and \$7.6 million in gross proceeds were received from the exercise of certain of our outstanding warrants, these amounts were offset by share issuance costs of \$3.2 million.

For the three months ended June 30, 2025, long-term debt repayments of \$0.9 million related primarily to the Supreme Debentures and Accretion Debentures. Other financing activities resulted in a cash outflow of \$11.9 million, which related primarily

to: (i) finance lease payments and (ii) share issuance costs. Comparatively, for the three months ended June 30, 2024, \$68.3 million was received relating to the Exchange and Subscription Agreement, offset by long-term debt repayments of \$11.8 million which related primarily to the First Quarter 2025 Paydowns (as defined below). Other financing activities resulted in a cash outflow of \$4.5 million, which related to: (i) share issuance costs, as noted above and (ii) finance lease payments.

Free Cash Flow (Non-GAAP Measure)

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 our liquidity requirements.

The following table presents free cash flows for the three months ended June 30, 2025, and 2024:

(in thousands of Canadian dollars)	Three months ended June 30,	
	2025	2024
Net cash used in operating activities - continuing operations	\$ (10,337)	\$ (51,780)
Purchases of and deposits on property, plant and equipment - continuing operations	(1,306)	(3,920)
Free cash flow ¹ - continuing operations	<u>\$ (11,643)</u>	<u>\$ (55,700)</u>

¹Free cash flow is a non-GAAP measure, and is calculated as net cash provided by (used in) operating activities, less purchases of and deposits on property, plant and equipment.

Free cash flow in the three months ended June 30, 2025 was an outflow of \$11.6 million, as compared to an outflow of \$55.7 million in the three months ended June 30, 2024. The year-over-year decrease in the free cash outflow primarily reflects the decrease in cash used in operating activities, as described above.

Debt

Since our formation, we have financed our cash requirements primarily through the issuance of Canopy Shares, including the \$5.1 billion investment by Constellation Brands, Inc. in the third quarter of fiscal 2019, and debt. Total debt outstanding as of June 30, 2025 was \$295.3 million, a decrease from \$304.1 million as of March 31, 2025. The total principal amount owing was \$302.8 million at June 30, 2025, a decrease from \$315.5 million at March 31, 2025. The decreases were primarily due to: (i) paydown of various debt balances totaling \$0.9 million; and (ii) the impact of foreign currency translations.

Credit Facility

On March 18, 2021, the Company entered into a term loan credit agreement (the “Credit Agreement”) providing for a five-year, first lien senior secured term loan facility in an aggregate principal amount of US\$750.0 million (the “Credit Facility”).

The Company had the ability to obtain up to an additional US\$500.0 million of incremental senior secured debt pursuant to the Credit Agreement. Pursuant to the balance sheet actions completed in connection with the Reorganization, on October 24, 2022, we entered into agreements with certain of our lenders under the Credit Agreement pursuant to which we agreed to purchase in the aggregate US\$187.5 million of the principal amount outstanding under the Credit Facility at a discounted price of US\$930 per US\$1,000 or US\$174.4 million in the aggregate. The first payment, which was oversubscribed, in the amount of approximately \$117.5 million (US\$87.9 million) was made on November 10, 2022 to reduce the principal indebtedness under the Credit Facility by approximately \$126.3 million (US\$94.4 million). The second payment of approximately \$116.8 million (US\$87.2 million) was made on April 17, 2023 to reduce principal indebtedness under the Credit Facility by approximately \$125.6 million (US\$93.8 million). Additionally, on October 24, 2022, we and certain of our lenders agreed to make certain amendments to the Credit Agreement which, among other things, resulted in: (i) a reduction to the minimum liquidity covenant to no less than US\$100.0 million following completion of the second principal repurchase on April 17, 2023; (ii) certain changes to the application of net proceeds from asset sales; (iii) the establishment of a new committed delayed draw term credit facility in an aggregate principal amount of US\$100.0 million; and (iv) the elimination of the additional US\$500.0 million incremental term loan facility.

On July 13, 2023, we entered into an amended Credit Agreement (the “Amended Credit Agreement”). The Amended Credit Agreement required the Company to prepay or repurchase principal indebtedness under the Credit Facility in an amount equal to the U.S. dollar equivalent of \$93,000 at a discounted price of US\$930 per US\$1,000 (the “July 2023 Paydown”). In addition, pursuant to the Amended Credit Agreement we agreed to apply certain net proceeds from asset sales to prepay or repurchase principal indebtedness under the Credit Facility and receive principal reductions at, in certain circumstances, a discounted price of US\$950 per US\$1,000. The Amended Credit Agreement also includes, among other things, amendments to the minimum liquidity covenant such

that the US\$100.0 million minimum ceased to apply concurrently with the July 2023 Paydown. The July 2023 Paydown was made on July 21, 2023.

On each of August 11, 2023 and September 14, 2023, pursuant to the terms of the Amended Credit Agreement, we repurchased additional outstanding principal amounts under the Credit Facility using certain net proceeds from completed asset sales (the “Second Quarter 2024 Paydowns”). The Second Quarter 2024 Paydowns resulted in an aggregate principal reduction of \$73.3 million (US\$54.5 million) for a cash payment of \$69.6 million (US\$51.8 million).

On each of November 28, 2023 and December 27, 2023, pursuant to the terms of the Amended Credit Agreement, we repurchased and repaid, as applicable, additional outstanding principal amounts under the Credit Facility using certain net proceeds from completed asset sales (the “Third Quarter 2024 Paydowns”). The Third Quarter 2024 Paydowns resulted in an aggregate principal reduction of \$65.4 million (US\$48.5 million) for a cash payment of \$63.2 million (US\$46.9 million).

On February 21, 2024, we repurchased and repaid, as applicable, additional outstanding principal amounts under the Credit Facility (the “Fourth Quarter 2024 Paydowns”). The Fourth Quarter 2024 Paydowns resulted in an aggregate principal reduction of \$31.1 million (US\$23.0 million) for a cash payment of \$28.0 million (US\$20.7 million).

On April 29, 2024 and June 28, 2024, we repurchased additional outstanding principal amounts under the Credit Facility (the “First Quarter 2025 Paydowns”). The First Quarter 2025 Paydowns resulted in an aggregate principal reduction of \$11.2 million (US\$8.2 million) for a cash payment of \$11.2 million (US\$8.2 million).

On August 8, 2024, we entered into an amendment (the “Amending Agreement”) with all of the lenders to the Credit Facility under the Amended Credit Agreement. Pursuant to the terms of the Amending Agreement, the maturity date of the Credit Facility was extended to December 18, 2026 and a mandatory US\$97.5 million prepayment of the Credit Facility at 97.5% of par thereby reducing the outstanding amount of the Credit Facility by US\$100 million was required to be made by December 31, 2024. In addition, the Amending Agreement provided for a further extension to the maturity date of the Credit Facility to September 18, 2027 if the Optional Prepayment was made on or before March 31, 2025. The Amending Agreement also includes changes to certain negative covenants, repayment provisions in the event of divestitures and events of default.

Through August 8, 2024, the Credit Facility matured on March 18, 2026 and through December 26, 2023, had an interest rate of LIBOR + 8.50%. After August 8, 2024, the Credit Facility matured on December 18, 2026, and after December 26, 2023, interest on amounts outstanding under the Credit Facility is calculated at either the applicable prime rate plus 7.50% per annum, subject to a prime rate floor of 2.00%, or adjusted term SOFR plus 8.50% per annum, subject to an adjusted term SOFR floor of 1.00%. Our obligations under the Credit Facility are guaranteed by our material wholly-owned Canadian and U.S. subsidiaries. The Credit Facility is secured by substantially all of our assets and our material wholly-owned Canadian and U.S. subsidiaries, including material real property. The Amended Credit Agreement contains representations and warranties, and affirmative and negative covenants.

On September 27, 2024, we repurchased additional outstanding principal amounts under the Credit Facility (the “Second Quarter 2025 Paydown”). The Second Quarter 2025 Paydown resulted in an aggregate principal reduction of \$1.1 million (US\$0.9 million) for a cash payment of \$1.1 million (US\$0.9 million).

On October 16, 2024, we made an early prepayment under our Credit Facility in an aggregate principal amount equal to US\$100 million of the principal amount outstanding thereunder at a discounted price of US\$97.5 million (the “Third Quarter 2025 Paydown”). The Third Quarter 2025 Paydown resulted in an aggregate principal reduction of \$137.7 million (US\$100.0 million) for a cash payment of \$134.3 million (US\$97.5 million).

On March 31, 2025, we made an optional prepayment under the Credit Facility in an aggregate principal amount equal to US\$100.0 million of the principal amount outstanding thereunder at a discounted price of US\$97.5 million (the “Optional Prepayment”), and as a result, the maturity date under the Credit Agreement was extended to September 18, 2027. The Optional Prepayment resulted in an aggregate principal reduction of \$143.9 million (US\$100.0 million) for a cash payment of \$140.3 million (US\$97.5 million).

On July 29, 2025, we entered into the Third Paydown Agreement with certain lenders under our Credit Facility. Pursuant to the Third Paydown Agreement, we are required to make the following prepayments: (i) US\$25 million at par on or about July 31, 2025; (ii) US\$10 million at par on or prior to December 31, 2025; and (iii) US\$15 million at par on or prior to March 31, 2026. On July 31, 2025, we made the first of the three prepayments in accordance with the Third Paydown Agreement, which resulted in an aggregate principal reduction of US\$25 million under our Credit Facility.

Supreme Cannabis Convertible Debentures and Accretion Debentures

On October 19, 2018, The Supreme Cannabis Company, Inc. (“Supreme Cannabis”) issued 6.0% senior unsecured convertible debentures (the “Supreme Debentures”) for gross proceeds of \$100.0 million. On September 9, 2020, the Supreme Debentures were amended to effect, among other things: (i) the cancellation of \$63.5 million 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 \$2.85.

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 \$36.5 million to a maximum of \$13.5 million, compounding on a semi-annual basis commencing on September 9, 2020, and ending on September 9, 2023. As of September 9, 2023, the principal amount of the Accretion Debentures was finalized as \$10.4 million. 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 arrangement (the “Supreme Arrangement”) we completed with Supreme Cannabis on June 22, 2021 pursuant to which we acquired 100% of the issued and outstanding common shares of Supreme Cannabis (the “Supreme Shares”), 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, we, Supreme Cannabis and Computershare Trust Company of Canada (the “Trustee”) entered into a supplemental indenture whereby we agreed to issue Canopy Shares upon conversion of any Supreme Debenture. In addition, we may force conversion of the Supreme Debentures outstanding with 30 days’ notice if the daily volume weighted average trading price of our Canopy Shares is greater than \$385.90 for any 10 consecutive trading days. We, Supreme Cannabis and the Trustee entered into a further supplemental indenture whereby we 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 were 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 Supreme Debentures outstanding, provided that the Accretion Debentures have already been redeemed in full.

On May 2, 2024, we entered into the Exchange and Subscription Agreement where approximately \$27.5 million of aggregate principal amount of outstanding Supreme Debentures and Accretion Debentures were settled.

On August 20, 2024, we entered into the August 2024 Supreme Convertible Debt Exchange with the August 2024 Investor pursuant to which, among other things, the August 2024 Investor delivered to the Company approximately \$2.7 million of aggregate principal amount of outstanding Supreme Debentures held by the August 2024 Investor in exchange for 291,351 Canopy Shares and \$0.03 million in cash for accrued interest.

During the three months ended June 30, 2025, principal payments on the Accretion Debentures totaled \$0.2 million (three months ended June 30, 2024 - \$0.7 million) and principal payments on the Supreme Debentures totaled \$0.5 million (three months ended June 30, 2024 - \$nil).

May 2024 Convertible Debenture

On May 2, 2024, we entered into the Exchange and Subscription Agreement with the May 2024 Investor pursuant to which, among other things, the May 2024 Investor delivered to us approximately \$27.5 million aggregate principal amount of outstanding Supreme Debentures and Accretion Debentures held by the May 2024 Investor and paid us approximately US\$50 million in exchange for us issuing to the May 2024 Investor (i) the May 2024 Convertible Debenture with an aggregate principal amount of \$96.4 million maturing five years from the Closing Date of the Transaction and (ii) 3,350,430 May 2024 Investor Warrants of Canopy Growth. Each May 2024 Investor Warrant entitles the holder to acquire one Canopy Share at an exercise price equal to \$16.18 per Canopy Share for a period of five years from the Closing Date. The May 2024 Convertible Debenture bears interest at a rate of 7.50% per annum, payable in semi-annual payments in cash or, at our option, in Canopy Shares for the first four semi-annual interest payments after the Closing Date, subject to satisfaction of certain conditions, including the prior approval of the TSX.

The May 2024 Convertible Debenture is convertible into Canopy Shares at the option of the May 2024 Investor at a conversion price equal to \$14.38 per share. The May 2024 Convertible Debenture is subject to a forced conversion feature upon notice from us in the event that the average closing trading price of the Canopy Shares on the TSX exceeds \$21.57 for a period of 10 consecutive trading days. In addition, pursuant to the terms of the May 2024 Convertible Debenture, during the Debenture ROFR Term, we granted the May 2024 Investor a right of first refusal to subscribe for, and to be issued, as an investor in a Proposed Financing; provided, however, that the May 2024 Investor shall subscribe for 25% of the Proposed Financing on the same terms and conditions contemplated in the Proposed Financing.

Contractual Obligations and Commitments

Other than the Third Paydown Agreement, as described above under “Recent Developments”, there have been no material changes to our contractual obligations and commitments from the information provided in the MD&A section in the Annual Report.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have, or are reasonably likely to have, a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Critical Accounting Policies and Estimates

There have been no material changes to our critical accounting policies and estimates from the information provided in the MD&A section in the Annual Report.

Impairment of goodwill

We do not believe that an event occurred or circumstances changed during the first quarter of fiscal 2026 that would, more likely than not, reduce the fair value of the Storz & Bickel reporting unit below its carrying value. Therefore, we concluded that the quantitative goodwill impairment assessment was not required for the Storz & Bickel reporting unit at June 30, 2025. The carrying value of goodwill associated with the Storz & Bickel reporting unit was \$47,377 at June 30, 2025.

We are required to perform our next annual goodwill impairment analysis on March 31, 2026, or earlier should there be an event that occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market risk is the potential economic loss arising from adverse changes in market factors. As a result of our global operating, acquisition and financing activities, we are exposed to market risk associated with changes in foreign currency exchange rates, interest rates and equity prices. To manage the volatility relating to these risks, we may periodically purchase derivative instruments including foreign currency forwards. We do not enter into derivative instruments for trading or speculative purposes.

Foreign currency risk

Our Interim Financial Statements are presented in Canadian dollars. We are exposed to foreign currency exchange rate risk as the functional currencies of certain subsidiaries, including those in the United States and Europe, are not in Canadian dollars. The translation of foreign currencies to Canadian dollars is performed for balance sheet accounts using exchange rates in effect at the balance sheet date, and for revenues and expense using an average exchange rate for the period. Therefore, fluctuations in the value of the Canadian dollar affect the reported amounts of net revenue, expenses, assets and liabilities. The resulting translation adjustments are reported as a component of accumulated other comprehensive income or loss on the consolidated balance sheet.

A hypothetical 10% change in the U.S. dollar against the Canadian dollar compared to the exchange rate at June 30, 2025, would affect the carrying value of net assets by approximately \$4.4 million, with a corresponding impact to the foreign currency translation account within accumulated other comprehensive income (loss). A hypothetical 10% change in the euro against the Canadian dollar compared to the exchange rate at June 30, 2025, would affect the carrying value of net assets by approximately \$19.3 million, with a corresponding impact to the foreign currency translation account within accumulated other comprehensive income (loss).

We also have exposure to changes in foreign exchange rates associated with transactions which are undertaken by our subsidiaries in currencies other than their functional currency. As a result, we have been impacted by changes in exchange rates and may be impacted for the foreseeable future.

Foreign currency derivative instruments may be used to hedge existing foreign currency denominated assets and liabilities, forecasted foreign currency denominated sales/purchases to/from third parties as well as intercompany sales/purchases, intercompany principal and interest payments, and in connection with acquisitions, divestitures or investments outside of Canada. Historically, while we have purchased derivative instruments to mitigate the foreign exchange risks associated with certain transactions, the impact of these hedging transactions on our financial statements has been immaterial.

Interest rate risk

Our cash equivalents and short-term investments are held in both fixed-rate and adjustable-rate securities. Investments in fixed-rate instruments carry a degree of interest rate risk. The fair value of fixed-rate securities may be adversely impacted due to a rise in interest rates. Additionally, a falling-rate environment creates reinvestment risk because as securities mature, the proceeds are

reinvested at a lower rate, generating less interest income. As at June 30, 2025, our cash and cash equivalents, and short-term investments consisted of \$17.6 million in interest rate sensitive instruments (March 31, 2025 – \$17.8 million).

Our financial liabilities consist of long-term fixed rate debt and floating-rate debt. Fluctuations in interest rates could impact our cash flows, primarily with respect to the interest payable on floating-rate debt.

	<u>Aggregate Notional Value</u>	
	<u>June 30, 2025</u>	<u>March 31, 2025</u>
Fixed interest rate debt	\$ 97,872	\$ 98,778
Variable interest rate debt	204,953	216,686

Equity price risk

We hold other financial assets and liabilities in the form of investments in shares, warrants, options, put liabilities, and convertible debentures that are measured at fair value and recorded through either net income (loss) or other comprehensive income (loss). We are exposed to price risk on these financial assets, which is the risk of variability in fair value due to movements in equity or market prices.

Information regarding the fair value of financial instrument assets and liabilities that are measured at fair value on a recurring basis, and the relationship between the unobservable inputs used in the valuation of these financial assets and their fair value is presented in Note 21 of the Interim Financial Statements.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures.

We maintain disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, and summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Interim Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report was made under the supervision and with the participation of our management, including our Chief Executive Officer and Interim Chief Financial Officer.

Based upon this evaluation, our Chief Executive Officer and Interim Chief Financial Officer have concluded that, as of June 30, 2025, our disclosure controls and procedures (a) are effective to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is timely recorded, processed, summarized and reported and (b) include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Interim Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting.

There have been no changes in our "internal control over financial reporting" (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this Quarterly Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

Other than as disclosed below, we are not aware of: (a) any legal proceedings to which we are a party, or to which any of our properties is subject, which would be material to us or of any such proceedings being contemplated, (b) any penalties or sanctions imposed by a court relating to securities legislation, or other penalties or sanctions imposed by a court or regulatory body against us that would likely be considered important to a reasonable investor making an investment decision, and (c) any settlement agreements that we have entered into before a court relating to securities legislation or with a securities regulatory authority.

On June 27, 2023, an ostensible shareholder commenced a putative class action (*Dziedziejko v. Canopy Growth Corporation et al.*, Court File No. CV-23-00701769-00CP) in the Ontario Superior Court of Justice against the Company, two of its officers, and the Company's auditor on behalf of a putative class of all persons or entities who acquired Canopy Growth's securities in the secondary market between June 1, 2021 to June 22, 2023 and held some or all of those securities until the close of trading on May 10, 2023 or June 22, 2023. The plaintiff alleges that the Company's disclosures contained misrepresentations within the meaning of the Securities Act (Ontario), that certain officers authorized, permitted, or acquiesced in the release of the impugned disclosures, that the Company and one of its officers acted in a manner that was oppressive or unfairly prejudicial to the proposed class members by failing to remedy alleged deficiencies in the Company's internal controls, and that all of the defendants are liable for damages to the putative class. The action seeks an unspecified amount of damages, interest, legal fees, and the costs of administering a plan of distribution of the recovery. The Company was also named in two other putative class proceedings that were commenced between May 2023 and July 2023 in the Ontario Superior Court of Justice alleging that the Company's disclosures contained misrepresentations. However, on November 10, 2023, the Ontario Superior Court of Justice decided a carriage motion staying those actions (*Leonard v. Canopy Growth Corporation et al.*, Court File No. CV-23-00702281-00CP and *Twidale v. Canopy Growth Corporation et al.*, Court File No. CV-23-00700135-00CP), and allowing *Dziedziejko v. Canopy Growth Corporation et al.*, Court File No. CV-23-00701769-00CP to proceed to a hearing of the plaintiff's motions for leave to proceed under the Securities Act and class certification.

On June 15, 2023, an ostensible shareholder commenced a putative class action (*Asmaro v. Canopy Growth Corporation et al.*, Court File No. VLC-S-S-234351) against the Company and two of its officers in the Supreme Court of British Columbia on behalf of a putative class of all persons and entities who purchased or otherwise acquired securities of the Company between August 6, 2021 and May 10, 2023. The lawsuit alleges that the Company's disclosures contained misrepresentations within the meaning of the Securities Act (British Columbia), that certain officers authorized, permitted, or acquiesced in the release of the impugned disclosures, and that all of the defendants are liable for damages to the putative class. The plaintiff seeks an unspecified amount of damages.

In May 2023, in connection with the Company's internal review of the financial reporting matters related to BioSteel Canada (the "BioSteel Review"), as previously disclosed in the Annual Report, the Company voluntarily self-reported to the SEC that the timing and amount of revenue recognition in the BioSteel Canada segment were under review. As a result of self-reporting the BioSteel Review, the Company is the subject of an ongoing investigation by the SEC. Although the Company is fully cooperating with the SEC and continues to voluntarily respond to requests in connection with this matter, it cannot predict when such matters will be completed or the outcome and potential impact. Any remedial measures, sanctions, fines or penalties, including, but not limited to, financial penalties and awards, injunctive relief and compliance conditions, imposed on the Company in connection with this matter could have a material adverse impact on our business, financial condition and results of operations. See "Risk Factors — Risks Relating to Our Growth Strategy — As a result of self-reporting the BioSteel Review, the Company is the subject of a regulatory investigation and inquiry in connection with the BioSteel Review, and it cannot predict the timing of developments, and any adverse outcome of these continuing matters could have a material adverse effect on the Company" under Item 1A of the Annual Report.

In response to a private arbitration commenced by the Company on or about March 8, 2024, on February 4, 2025, a payment guarantor under a share purchase agreement commenced a counterclaim against the Company within the arbitration seeking general damages of \$6,399,700, plus aggravated damages of \$1,000,000 and costs arising from alleged breaches of the share purchase agreement.

On April 4, 2025, an ostensible shareholder commenced a putative class action (*Baron v. Canopy Growth Corporation et al.* Case 1:25-cv-01877) against the Company and two of its officers in the U.S. District Court for the Eastern District of New York on behalf of all persons and entities that purchased or otherwise acquired Company securities between May 30, 2024 and February 6, 2025, alleging violations of U.S. federal securities laws. The claim alleges that the Company made false and/or misleading statements and/or failed to disclose that: (i) the Company had allegedly incurred significant costs producing Claybourne™ pre-rolled joints in connection with the Claybourne™ product launch in Canada; (ii) the foregoing costs, in addition to certain indirect costs that the Company incurred in connection with its Storz & Bickel vaporizer devices, were likely to have a significant negative impact on the Company's gross margins and overall financial results; and (iii) accordingly, the Company had allegedly overstated the efficacy of its cost reduction measures and the health of its gross margins while downplaying issues with the same. The plaintiff seeks an unspecified amount of damages, attorneys' fees and costs, and other relief.

The Company denies any alleged misconduct and liability for each of the claims asserted in the above-noted Court and arbitration proceedings, believes that the defendants/respondents have meritorious defenses to the claims, and expects to vigorously

defend the claims, although the Company cannot predict when or how they will be resolved or estimate what the potential loss or range of loss would be, if any.

From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. We are not currently a party to any other legal proceedings other than described above, the outcome of which, if determined adversely to us, would individually or in the aggregate have a material adverse effect on our business, financial condition, results of operations or prospects. Please refer to “Risk Factors” under Item 1A of the Annual Report for further discussion.

Item 1A. Risk Factors.

For information regarding factors that could affect our results of operations, financial condition and liquidity, see the risk factors discussed in Part I, Item 1A in the Annual Report. There have been no material changes to the risk factors previously disclosed in Part I, Item 1A in our Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Rule 10b5-1 Trading Arrangements

During the three months ended June 30, 2025, no director or officer (as defined in Rule 16a-1(f) of the Exchange Act) informed us of the adoption or termination of a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement”, as each term is defined in Item 408(c) of Regulation S-K.

Item 6. Exhibits.

Exhibit Number	Description
3.1	<u>Certificate of Incorporation and Articles of Amendment of Canopy Growth Corporation (incorporated by reference to Exhibit 3.1 to the Company’s Annual Report on Form 10-K for the year ended March 31, 2020, filed with the SEC on June 1, 2020).</u>
3.2	<u>Amendment to Articles of Canopy Growth Corporation, filed on December 15, 2023 (incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K, filed with the SEC on December 18, 2023).</u>
3.3	<u>Articles of Amendment to Articles of Incorporation of Canopy Growth Corporation, filed on April 12, 2024 (incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K, filed with the SEC on April 16, 2024).</u>
3.4	<u>Bylaws of Canopy Growth Corporation (incorporated by reference to Exhibit 3.2 to the Company’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021, filed with the SEC on November 8, 2021).</u>
10.1#	<u>Interim Offer Letter, dated July 9, 2025, by and between Canopy Growth Corporation and Thomas Stewart (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K, filed with the SEC on July 9, 2025).</u>
10.2	<u>Notice and Limited Consent, dated as of July 29, 2025, by and among Canopy Growth Corporation, 11065220 Canada Inc., the lender party thereto, the guarantors party thereto, and Wilmington Trust, National Association (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K, filed with the SEC on July 29, 2025).</u>
10.3*	<u>Third Amended and Restated Credit Agreement, dated as of July 29, 2025, by and among 11065220 Canada Inc., as lender, the other lenders party thereto, High Street Capital Partners, LLC, as borrower, Acreage Holdings, Inc. and each other loan party identified on the signature pages thereto, and Acquiom Agency Services LLC, as agent for the lenders.</u>
31.1*	<u>Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2*	<u>Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>

32.1**	<u>Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2**	<u>Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

** This exhibit shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section. Such exhibit shall not be deemed incorporated into any filing under the Securities Act or the Exchange Act.

This document has been identified as a management contract or compensatory plan or arrangement.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CANOPY GROWTH CORPORATION

Date: August 8, 2025

By: /s/ Luc Mongeau
Luc Mongeau
Chief Executive Officer
(Principal Executive Officer)

Date: August 8, 2025

By: /s/ Thomas Stewart
Thomas Stewart
Interim Chief Financial Officer
(Interim Principal Financial Officer and Interim Principal Accounting Officer)