

A copy of this preliminary short form base prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of Canada, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form base shelf prospectus is obtained from the securities regulatory authorities.

This short form prospectus is referred to as a short form base shelf prospectus and has been filed under legislation in each of the provinces and territories of Canada, that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. See "Plan of Distribution".

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Legal Officer of Canopy Growth Corporation at 1 Hershey Drive, Smiths Falls, Ontario K7A 0A8, telephone (855) 558-9333, and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue and/or Secondary Offering

February 23, 2021



CANOPY GROWTH CORPORATION

US\$2,000,000,000

**Common Shares
Subscription Receipts
Units
Warrants**

Canopy Growth Corporation (“**Canopy Growth**” or the “**Corporation**”) may offer and sell, from time to time, common shares (the “**Common Shares**”), subscription receipts (the “**Subscription Receipts**”), units (the “**Units**”) and warrants (the “**Warrants**”) (all of the foregoing, collectively, the “**Securities**”) or any combination thereof in one or more series or issuances up to an aggregate total offering price of US\$2,000,000,000 (or the equivalent thereof in other currencies) during the 25-month

period that the short form base shelf prospectus (the “**Prospectus**”), including any amendments thereto, remains effective. The Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in an accompanying prospectus supplement (a “**Prospectus Supplement**”).

The specific terms of the Securities with respect to a particular offering will be set out in the applicable Prospectus Supplement. Where required by statute, regulation or policy, and where Securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to the offering price of such Securities will be included in the Prospectus Supplement describing such Securities.

All information permitted, under applicable laws, to be omitted from this Prospectus that has been omitted will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains. Prospective investors should read this Prospectus and any applicable Prospectus Supplement carefully before investing in any Securities issued pursuant to the Prospectus. **This Prospectus may not be used to offer or sell securities without the Prospectus Supplement which includes a description of the method and terms of that offering.**

No underwriter has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.

This Prospectus constitutes a public offering of the Securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such Securities. The Corporation may offer and sell Securities to, or through, underwriters or dealers and may also offer and sell certain Securities directly to other purchasers or through agents pursuant to exemptions from registration or qualification under applicable securities laws. A Prospectus Supplement relating to each issue of Securities offered pursuant to this Prospectus will set forth the names of any underwriters, dealers or agents involved in the offering and sale of such Securities and will set forth the terms of the offering of such Securities, the method of distribution of such Securities including, to the extent applicable, the proceeds to the Corporation, if any, and any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution. See “Plan of Distribution”.

In connection with any offering of Securities, except as otherwise set out in the Prospectus Supplement relating to the particular offering of Securities, the underwriters or dealers may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. A purchaser who acquires Securities forming part of the underwriters’ or dealers’ over-allocation position acquires those Securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases. No underwriter or dealer involved in an “at-the-market distribution”, as defined in Canadian National Instrument 44-102 – *Shelf Distributions* (“**NI 44-102**”), no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer will over-allot Securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities. See “Plan of Distribution”.

The issued and outstanding Common Shares are listed and posted for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “WEED” and are listed on the NASDAQ Global Market (“**NASDAQ**”) under the symbol “CGC”. On February 22, 2021, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSX was C\$46.68 and on NASDAQ was US\$37.01. **Unless otherwise specified in the applicable Prospectus Supplement, the Subscription Receipts, Units and Warrants will not be listed on any securities exchange. Consequently, unless otherwise specified in the applicable Prospectus Supplement, there is no market through which the Subscription Receipts, Units and Warrants may be sold and purchasers may not be able to resell any such Securities purchased under this Prospectus. This may affect the pricing of the Subscription Receipts, Units and Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities and the extent of issuer regulation. See “Risk Factors”.**

The Corporation’s head office and registered office is located at 1 Hershey Drive, Smiths Falls, Ontario, Canada K7A 0A8.

Judy Schmeling, David Klein, Robert Hanson, William Newlands and Jim Sabia, each a director of the Corporation, reside outside Canada. Each of the aforementioned individuals has appointed Cassels Brock & Blackwell LLP, Suite 2100, 40 King

Street West, Toronto, Ontario M5H 3L2, as his or her agent for service of process in Canada. Prospective investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against these individuals, even though such persons have appointed an agent for service of process.

Investing in the Securities involves significant risks. Prospective purchasers of the Securities should carefully consider the risk factors described under the heading “Risk Factors” and elsewhere in this Prospectus and in the documents incorporated by reference in this Prospectus.

Prospective investors should be aware that the acquisition of the Securities described herein may have tax consequences in Canada and the United States. Such consequences may not be described fully herein or in any applicable Prospectus Supplement. Prospective investors should read the tax discussion contained in this Prospectus under the heading “Certain Federal Income Tax Considerations” as well as the tax discussion contained in the applicable Prospectus Supplement with respect to a particular offering of Securities.

Canopy Growth will file, with the (final) Prospectus, an undertaking with each of the securities regulatory authorities in each of the provinces and territories of Canada that it will not distribute Securities that, at the time of distribution, are novel specified derivatives or novel asset-backed securities, without first pre-clearing with the applicable securities regulator, the disclosure to be contained in the Prospectus Supplement pertaining to the distribution of such Securities.

This Prospectus contains references to United States dollars and Canadian dollars. United States dollars are referred to as “United States dollars” or “US\$”. Canadian dollars are referred to as “Canadian dollars” or “C\$”. See “Currency Presentation and Exchange Rate Information”.

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ABOUT THIS PROSPECTUS

Unless the context otherwise requires, all references to Canopy Growth or the Corporation include the direct and indirect subsidiaries of Canopy Growth Corporation.

Readers should rely only on the information contained or incorporated by reference in this Prospectus and any applicable Prospectus Supplement. The Corporation has not authorized anyone to provide readers with different information. The Corporation is not making an offer to sell or seeking an offer to buy the Securities in any jurisdiction where the offer or sale is not permitted. Readers should not assume that the information contained in this Prospectus and any applicable Prospectus Supplement is accurate as of any date other than the date on the front of such documents, regardless of the time of delivery of this Prospectus and any applicable Prospectus Supplement or of any sale of the Securities. Information contained on the Corporation's website should not be deemed to be a part of this Prospectus or incorporated by reference herein and should not be relied upon by prospective investors for the purpose of determining whether to invest in the Securities.

The distribution or possession of this Prospectus in or from certain jurisdictions may be restricted by law. This Prospectus is not an offer to sell the Securities and is not soliciting an offer to buy the Securities in any jurisdiction where the offer or sale is not permitted or where the person making the offer or sale is not qualified to do so or to any person to whom it is not permitted to make such offer or sale. The Corporation's business, financial condition, results of operations and prospects may have changed since that date.

Unless otherwise indicated, market data and certain industry data and forecasts included in this Prospectus and the documents incorporated by reference herein concerning the Corporation's industry and the markets in which the Corporation operates or seeks to operate were obtained from internal company surveys, market research, publicly available information, reports of governmental agencies and industry publications and surveys. Canopy Growth has relied upon industry publications as the Corporation's primary sources of third-party industry data and forecasts. The Corporation has not independently verified any of the data from third-party sources, nor has the Corporation ascertained the underlying assumptions relied upon therein. Similarly, internal surveys, industry forecasts and market research, which Canopy Growth believes to be reliable based upon the Corporation's knowledge of the industry, have not been independently verified, and Canopy Growth does not know what assumptions were used in their preparation. By their nature, forecasts are particularly subject to change or inaccuracies, especially over long periods. While Canopy Growth is not aware of any misstatements regarding the industry data presented herein or via the documents incorporated herein by reference, estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under "Cautionary Note Regarding Forward-Looking Statements and Information" and "Risk Factors" in this Prospectus and the documents incorporated by reference herein. While the Corporation believes its internal research is reliable and market definitions are appropriate, neither such research nor definitions have been verified by any independent source.

TRADEMARKS AND TRADE NAMES

This Prospectus and the documents incorporated by reference herein may include certain trademarks and trade names that are protected under applicable intellectual property laws and are the property of the Corporation. Solely for convenience, the Corporation's trademarks and trade names referred to in this Prospectus and the documents incorporated by reference herein may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that the Corporation will not assert, to the fullest extent under applicable law, its rights to these trademarks and trade names. All other trademarks used in the Prospectus or the documents incorporated by reference herein are the property of their respective owners.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains or incorporates by reference "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") and "forward-looking information" under applicable Canadian securities legislation (collectively, "**forward-looking statements**") and other applicable securities laws, which involve certain known and unknown risks and uncertainties. In addition to the cautionary statement below, with respect to forward-looking statements contained in the documents incorporated by reference herein, prospective purchasers should refer to "Note Regarding Forward-Looking Statements" in the Annual Report on Form 10-K of the Corporation as well as to similar sections of any documents incorporated by reference in this Prospectus that are filed after the date hereof.

Forward-looking statements predict or describe the Corporation's future operations, business plans, business and investment strategies and the performance of the Corporation's 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. The Corporation’s actual results or outcomes may differ materially from those anticipated. Prospective investors 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:

- the uncertainties associated with the COVID-19 pandemic, including the Corporation’s ability to continue operations, the ability of the Corporation’s suppliers and distribution channels to continue to operate, the use of the Corporation’s products by consumers, disruptions to the global and local economies due to related stay-at-home orders, quarantine policies and restrictions on travel, trade and business operations and a reduction in discretionary consumer spending;
- laws and regulations and any amendments thereto applicable to the Corporation’s business and the impact thereof, including uncertainty regarding the application of U.S. state and federal law to U.S. hemp (including hemp-derived cannabidiol (“**CBD**”)) products and the scope of any regulations by the U.S. Federal Drug Administration, the U.S. Federal Trade Commission, the U.S. Patent and Trademark Office, the U.S. Department of Agriculture (the “**USDA**”) and any state equivalent regulatory agencies over U.S. hemp (including CBD) products;
- expectations regarding the regulation of the hemp industry in the U.S., including the promulgation of regulations for the U.S. hemp industry by the USDA;
- expectations regarding the potential success of, and the costs and benefits associated with, the Corporation’s acquisitions, joint ventures, strategic alliances, equity investments and dispositions;
- the Acreage Amended Arrangement (as defined below), including the satisfaction or waiver of the conditions to closing of such acquisition;
- the grant, renewal and impact of any license or supplemental license to conduct activities with cannabis or any amendments thereof;
- the Corporation’s international activities and joint venture interests, including required regulatory approvals and licensing, anticipated costs and timing, and expected impact;
- the ability to successfully create and launch brands and further create, launch and scale cannabis-based products and U.S. hemp-derived consumer products in jurisdictions where such products are legal and that the Corporation currently operates in;
- the benefits, viability, safety, efficacy, dosing and social acceptance of cannabis, including CBD and other cannabinoids;
- the anticipated benefits and impact of the investments (the “**CBI Group Investments**”) made by Constellation Brands, Inc. (“**CBI**”) and its affiliates (together, the “**CBI Group**”) in the Corporation;
- the potential exercise of the warrants held by the CBI Group, pre-emptive rights and/or top-up rights in connection with the CBI Group Investments, including proceeds to the Corporation that may result therefrom or the potential conversion of senior convertible notes held by the CBI Group in connection with the CBI Group Investments;
- expectations regarding the use of proceeds of equity financings, including pursuant to this Prospectus, and the proceeds from the CBI Group Investments;
- the legalization of the use of cannabis for medical or recreational in jurisdictions outside of Canada, the related timing and impact thereof and the Corporation’s intentions to participate in such markets, if and when such use is legalized;
- the Corporation’s ability to execute on its strategy and the anticipated benefits of such strategy;
- the ongoing impact of the legalization of cannabis product types and forms for recreational use in Canada, including federal, provincial, territorial and municipal regulations pertaining thereto, the related timing and impact thereof and the Corporation’s intentions to participate in such markets;

- the ongoing impact of developing provincial, 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 the Corporation's intentions to participate in such markets to the extent permissible;
- the future performance of the Corporation's business and operations;
- the Corporation's competitive advantages and business strategies;
- the competitive conditions of the industry;
- the expected growth in the number of customers using the Corporation's products;
- the Corporation's ability or plans to identify, develop, commercialize or expand its technology and research and development initiatives in cannabinoids, or the success thereof;
- expectations regarding revenues, expenses and anticipated cash needs;
- expectations regarding cash flow, liquidity and sources of funding;
- expectations regarding capital expenditures;
- the expansion of the Corporation's production and manufacturing, the costs and timing associated therewith and the receipt of applicable production and sale licenses;
- the expected growth in the Corporation's growing, production and supply chain capacities;
- expectations regarding the resolution of litigation and other legal proceedings;
- expectations with respect to future production costs;
- expectations with respect to future sales and distribution channels;
- the expected methods to be used to distribute and sell the Corporation's products;
- the Corporation's future product offerings;
- the anticipated future gross margins of the Corporation's operations;
- accounting standards and estimates;
- expectations regarding the Corporation's distribution network; and
- expectations regarding the costs and benefits associated with the Corporation's contracts and agreements with third parties, including under the Corporation's third-party supply and manufacturing agreements.

Certain of the forward-looking statements contained herein concerning the industries in which the Corporation conduct its business are based on estimates prepared by the Corporation using data from publicly available governmental sources, market research, industry analysis and on assumptions based on data and knowledge of these industries, which the Corporation believes 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 the Corporation conducts its 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 that were applied in drawing a conclusion or making a forecast or projection, including: (i) management's perceptions of historical trends, current conditions and expected future developments; (ii) the Corporation's ability to generate cash flow from operations; (iii) general economic, financial market, regulatory and political conditions in which the Corporation operates; (iv) the production and manufacturing

capabilities and output from the Corporation's facilities and its joint ventures, strategic alliances and equity investments; (v) consumer interest in the Corporation's products; (vi) competition; (vii) anticipated and unanticipated costs; (viii) government regulation of the Corporation's 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) the Corporation's ability to obtain qualified staff, equipment and services in a timely and cost-efficient manner; (xi) the Corporation's ability to conduct operations in a safe, efficient and effective manner; (xii) the Corporation's ability to realize anticipated benefits, synergies or generate revenue, profits or value from its recent acquisitions into existing operations; (xiii) the Corporation's ability to continue to operate in light of the COVID-19 pandemic and the impact of the pandemic on demand for, and sales of, the Corporation's products and its distribution channels; and (xiv) other considerations that management believes to be appropriate in the circumstances. While management considers these assumptions to be reasonable based on information currently available to them, 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 the Corporation's control, could cause actual results to differ materially from the forward-looking statements in this Prospectus and the documents incorporated or deemed to be incorporated by reference herein or made by the Corporation's directors, officers, other employees and other persons authorized to speak on the Corporation's behalf. Such factors include, without limitation, changes in laws, regulations and guidelines and compliance with such laws, regulations and guidelines; the risk that the COVID-19 pandemic may disrupt the Corporation's operations and those of its suppliers and distribution channels and negatively impact the use of the Corporation's products; consumer demand for cannabis and U.S. hemp products; the Corporation's reliance on licenses issued by and contractual arrangements with various federal and provincial governmental authorities; future levels of revenues and the impact of increasing levels of competition; the Corporation's ability to manage disruptions in credit markets or changes to its credit rating; future levels of capital, environmental or maintenance expenditures, general and administrative and other expenses; the success or timing of completion of ongoing or anticipated capital or maintenance projects; business strategies, growth opportunities and expected investment; the adequacy of the Corporation's capital resources and liquidity, including but not limited to, availability of sufficient cash flow to execute the Corporation's business plan (either within the expected timeframe or at all); the potential effects of judicial or other proceedings on the Corporation's business, financial condition, results of operations and cash flows; volatility in and/or degradation of general economic, market, industry or business conditions; the Corporation's exposure to risks related to an agricultural business, including wholesale price volatility and variable product quality; 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 and U.S. hemp products in vaping devices; 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; changes in regulatory requirements in relation to the Corporation's business and products; and the factors discussed under the heading "Risk Factors" in the Annual Report on Form 10-K of the Corporation, as filed with the SEC on June 1, 2020. Prospective investors 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 prospective investors in understanding the Corporation's 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 prospective investors are cautioned that the forward-looking statements may not be appropriate for any other purpose. While the Corporation believes 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. The Corporation undertakes 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 Prospectus and the documents incorporated or deemed to be incorporated by reference herein or made by the Corporation's directors, officers, other employees and other persons authorized to speak on the Corporation's behalf are expressly qualified in their entirety by these cautionary statements.

FINANCIAL INFORMATION

The financial statements of the Corporation are presented in Canadian dollars and such financial statements are prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP"). Unless otherwise indicated, any other financial information included or incorporated by reference in this Prospectus has been prepared in accordance with U.S.

GAAP. In addition, unless otherwise indicated, all historical financial information included or incorporated by reference in this Prospectus is derived from financial statements prepared in accordance with U.S. GAAP.

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

This Prospectus contains references to United States dollars and Canadian dollars. United States dollars are referred to as “United States dollars” or “US\$”. Canadian dollars are referred to as “Canadian dollars” or “C\$”.

The high, low and closing rates for Canadian dollars in terms of the United States dollar for each of the periods indicated, as reported by the Bank of Canada, were as follows:

	Year ended March 31		
	2020	2019	2018
High.....	C\$1.4496	C\$1.3642	C\$1.3743
Low.....	C\$1.2970	C\$1.2552	C\$1.2128
Closing.....	C\$1.4187	C\$1.3363	C\$1.2894

On February 22, 2021, the daily average exchange rate for United States dollars expressed in terms of the Canadian dollar, as reported by the Bank of Canada, was US\$1.00 = C\$1.2613.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar authorities in each of the provinces and territories of Canada (the “Canadian Securities Authorities”) and the United States Securities and Exchange Commission (the “SEC”). Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Legal Officer of the Corporation at 1 Hershey Drive, Smiths Falls, Ontario K7A 0A8, telephone (855) 558-9333, and are also available electronically under the Corporation’s SEDAR profile at www.sedar.com or in the United States through EDGAR at the website of the SEC at www.sec.gov/edgar. The filings of the Corporation through SEDAR and EDGAR are not incorporated by reference in this Prospectus except as specifically set out herein.

The following documents, filed by the Corporation with the Canadian Securities Authorities and the SEC, are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- (a) the Annual Report on Form 10-K of the Corporation, for the fiscal year ended March 31, 2020, which report contains the audited consolidated financial statements of the Corporation as at March 31, 2020 and 2019 and for the years ended March 31, 2020, 2019 and 2018, and the notes thereto, together with the auditors’ report thereon and the related management’s discussion and analysis of financial condition and results of operations as at and for the year ended March 31, 2020, as filed with the SEC on June 1, 2020;
- (b) Amendment No. 1 to the Annual Report on Form 10-K/A of the Corporation as filed with the SEC on July 29, 2020 to include Part III of the Annual Report on Form 10-K of the Corporation for the fiscal year ended March 31, 2020;
- (c) the Corporation’s Proxy Statement on Schedule 14A, dated August 6, 2020, in connection with the Corporation’s September 21, 2020 annual general meeting of shareholders, including the information specifically incorporated by reference into the Corporation’s Annual Report on Form 10-K, as amended, for the fiscal year ended March 31, 2020, as filed with the SEC on August 7, 2020;
- (d) the Quarterly Report on Form 10-Q of the Corporation, for the quarter ended December 31, 2020, which report contains the unaudited condensed interim consolidated financial statements of the Corporation as at December 31, 2020 and for the quarters ended December 31, 2020 and 2019, and the notes thereto. and the related management’s discussion and analysis of financial condition and results of operations for the quarters ended December 31, 2020 and 2019, as filed with the SEC on February 9, 2021;
- (e) the Quarterly Report on Form 10-Q of the Corporation, for the quarter ended September 30, 2020, which report contains the unaudited condensed interim consolidated financial statements of the Corporation as at September 30, 2020 and for the quarters ended September 30, 2020 and 2019, and the notes thereto. and the related management’s discussion and analysis of financial condition and results of operations for the quarters ended September 30, 2020 and

2019, as filed with the SEC on November 9, 2020;

- (f) the Quarterly Report on Form 10-Q of the Corporation, for the quarter ended June 30, 2020, which report contains the unaudited condensed interim consolidated financial statements of the Corporation as at June 30, 2020 and for the quarters ended June 30, 2020 and 2019, and the notes thereto. and the related management's discussion and analysis of financial condition and results of operations for the quarters ended June 30, 2020 and 2019, as filed with the SEC on August 10, 2020;
- (g) the Corporation's Material Change Report dated June 30, 2020, relating to the announcement of the Acreage Proposal Agreement (as defined below), as filed on SEDAR on June 30, 2020;
- (h) the Corporation's Material Change Report dated September 23, 2020, relating to the implementation of the Acreage Amended Arrangement, as filed on SEDAR on September 23, 2020;
- (i) the Corporation's Material Change Report dated December 29, 2020, relating to the announcement of the Rivers Arrangement (as defined below), as filed on SEDAR on December 29, 2020;
- (j) the Corporation's Material Change Report dated February 23, 2021, relating to the closing of the Rivers Arrangement, as filed on SEDAR on February 23, 2021;
- (k) the Corporation's Current Reports on Form 8-K as filed with the SEC on June 30, 2020, September 11, 2020, September 22, 2020, September 23, 2020, November 4, 2020, November 9, 2020 accepted on November 6, 2020, December 10, 2020, December 28, 2020 and February 23, 2021; and
- (l) the description of the Common Shares contained in the Corporation's Registration Statement on Form 8-A/A filed with the SEC on November 13, 2020, and any amendment or report filed for the purpose of updating any such description.

All other documents filed by the Corporation with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding, unless otherwise provided therein or herein, information furnished pursuant to Item 2.02 and Item 7.01 on any Current Report on Form 8-K), after the date of this Prospectus but before the end of the offering of the Securities made by this Prospectus are also deemed to be incorporated by reference.

Any document of the type referred to in section 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* (“NI 44-101”) filed by the Corporation with the Canadian Securities Authorities and all Prospectus Supplements (only in respect of the offering of Securities to which that particular Prospectus Supplement relates) disclosing additional or updated information including the documents incorporated by reference herein, filed pursuant to the requirements of the applicable securities legislation in Canada after the date of this Prospectus and prior to the date that is 25 months from the date of the (final) Prospectus shall be deemed to be incorporated by reference into the Prospectus.

Any “template version” of any “marketing materials” (as such terms are defined in National Instrument 41-101 — *General Prospectus Requirements*) pertaining to a distribution of Securities, and filed by the Corporation after the date of a Prospectus Supplement for the distribution of such Securities and before the termination of the distribution of such Securities, shall be deemed to be incorporated by reference into that Prospectus Supplement.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference herein modifies, replaces or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

A Prospectus Supplement containing the specific terms of an offering of Securities will be delivered to purchasers of such Securities together with the Prospectus and will be deemed to be incorporated by reference into the Prospectus as of the date

of such Prospectus Supplement, but only for the purposes of the offering of Securities covered by that Prospectus Supplement.

Upon a new Annual Report on Form 10-K, containing annual financial statements and management's discussion and analysis of financial condition and results of operations, being filed by the Corporation, and where required, accepted by, the applicable Canadian Securities Authorities during the currency of this Prospectus, the previous Annual Report on Form 10-K and all Quarterly Reports on Form 10-Q containing interim financial statements and management's discussion and analysis of financial condition and results of operations and material change reports and all Prospectus Supplements filed by the Corporation prior to the commencement of the Corporation's financial year in which the Annual Report on Form 10-K was filed shall be deemed no longer to be incorporated into this Prospectus for purposes of further offers and sales of Securities hereunder. Upon a new Proxy Statement on Schedule 14A for the Corporation's annual general meeting of shareholders being filed with the applicable Canadian Securities Authorities during the period that this Prospectus is effective, the previous Proxy Statement on Schedule 14A filed in respect of the Corporation's prior annual general meeting of shareholders shall no longer be deemed to be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

THE CORPORATION

General

Canopy Growth was incorporated pursuant to the provisions of the *Canada Business Corporations Act* on August 5, 2009 under the name "LW Capital Pool Inc." The Corporation changed its name to Tweed Marijuana Inc. on March 26, 2014, and later to Canopy Growth Corporation on September 17, 2015.

The Corporation's head and registered office is located at 1 Hershey Drive, Smiths Falls, Ontario, K7A 0A8.

Summary Description of the Business

Canopy Growth is a world-leading diversified cannabis and cannabinoid-based consumer products company with operations in countries across the world. Canopy Growth produces, distributes and sells a diverse range of cannabis and hemp-based products and other consumer products for both recreational and medical purposes under a portfolio of distinct brands in Canada pursuant to the Cannabis Act, and globally pursuant to applicable international and Canadian legislation, regulations and permits.

On October 17, 2018, the Cannabis Act came into effect in Canada, regulating both the medical and recreational cannabis markets in Canada and providing provincial, territorial and municipal governments the authority to prescribe regulations regarding the distribution and sale of recreational cannabis. On October 17, 2019, the second phase of recreational cannabis products, specifically, ingestible cannabis, cannabis extracts and cannabis topical products (referred to as "**Cannabis 2.0**"), was legalized pursuant to certain amendments to the regulations under the Cannabis Act. Canopy Growth currently offers product varieties in dried flower, oil, softgel capsule, vape pen power sources, pod-based vape devices, vape cartridges, cannabis-infused beverages and edibles, with product availability varying based on provincial and territorial regulations. Canopy Growth's recreational cannabis products are predominantly sold to provincial and territorial agencies under a "business-to-business" wholesale model, with those provincial and territorial agencies then being responsible for the distribution of such products to brick-and-mortar stores and for online retail sales. Canopy Growth has also opened a network of Tweed and Tokyo Smoke retail cannabis stores across Canada, where permissible, to promote brand awareness and drive consumer demand under a "business-to-consumer" model.

Canopy Growth's Spectrum Therapeutics medical division is a global leader in medical cannabis. Spectrum Therapeutics produces and distributes a diverse portfolio of medical cannabis products to healthcare practitioners and medical customers in Canada, and in several other countries where it is federally permissible to do so. In April 2019, Canopy Growth acquired C3 Cannabinoid Compound Company, Europe's largest cannabinoid-based pharmaceuticals company and a leading manufacturer of dronabinol, a registered active pharmaceutical ingredient in Germany and certain other European countries. The addition of dronabinol has allowed Canopy Growth to expand its portfolio of medical cannabis offerings for its customers in countries where permissible.

Subsequent to the passage of the U.S. Agricultural Improvement Act of 2018 in December 2018, Canopy Growth began building its hemp supply chain in the United States through its investment in hemp growing capability and in processing, extraction and finished goods manufacturing facilities. In September 2020, Canopy Growth's Martha Stewart CBD line of premium quality, hemp-derived wellness gummies, oils and softgels was launched in the United States. In the fourth quarter of fiscal 2021, Canopy Growth expanded its product offering to include CBD products for pets under the Martha Stewart CBD for Pet line and SurityPro.

In June 2019, Canopy Growth implemented a plan of arrangement (the “**Original Acreage Arrangement**”) pursuant to an arrangement agreement (the “**Acreage Arrangement Agreement**”) dated April 18, 2019, as amended on May 15, 2019 with Acreage Holdings, Inc. (“**Acreage**”), a multi-state cannabis operator. In September 2020, following receipt of all required approvals, Canopy Growth entered into a second amendment to the Acreage Arrangement Agreement (the “**Amending Agreement**”) and implemented an amended and restated plan of arrangement (the “**Acreage Amended Arrangement**”). Pursuant to the Acreage Amended Arrangement, following the occurrence or waiver (at Canopy Growth’s discretion) of changes in U.S. federal law to permit the general cultivation, distribution, and possession of marijuana or to remove the regulation of such activities from the federal laws of the United States (the “**Triggering Event**”) and subject to the satisfaction or waiver of the conditions set out in the Acreage Arrangement Agreement (as modified by the Amending Agreement), Canopy Growth (i) agreed to acquire approximately 70% of the issued and outstanding shares of Acreage, and (ii) obtained the right to acquire the other approximately 30% of the issued and outstanding shares of Acreage. The acquisition of Acreage, if completed, will provide a pathway into cannabis markets in the United States; however, Canopy Growth and Acreage will continue to operate as independent companies until the acquisition of Acreage is completed. Refer to “Recent Developments” below for a description of the Acreage Amended Arrangement.

Canopy Growth’s other product offerings, which are sold by its subsidiaries in jurisdictions where it is permissible to do so, include (i) Storz & Bickel™ vaporizers; (ii) thisworks™ beauty, skincare, wellness and sleep products, some of which have been blended with hemp-derived CBD isolate; (iii) BioSteel™ sports nutrition beverages, mixes, protein, gum and mints, some of which have been infused with hemp-derived CBD isolate; and (iv) a line of science-backed CBD products for dogs under the brand name SurityPro™ sold by Canopy Animal Health.

The majority of Canopy Growth’s products contain tetrahydrocannabinol (“**THC**”), CBD, or a combination of these two cannabinoids which are found in the cannabis sativa plant species. THC is the primary psychoactive or intoxicating cannabinoid found in cannabis. References throughout this Prospectus to “hemp” is used to classify varieties of the cannabis sativa plant that contain CBD and 0.3% or less THC content (by dry weight). Conversely, references to the term “marijuana” refer to varieties of the cannabis sativa plant with more than 0.3% THC content and moderate levels of CBD.

Canopy Growth’s licensed operational capacity in Canada includes indoor and greenhouse cultivation space; post-harvest processing and cannabinoid extraction capability; advanced manufacturing capability for vape products, softgel encapsulation and pre-rolled joints; a beverage production facility; a chocolate manufacturing facility; and a gummie manufacturing facility. These infrastructure investments allow Canopy Growth to supply the recreational and medical markets with a complimentary balance of flower products and extracted cannabinoid input for Canopy Growth’s oil, CBD and Cannabis 2.0 products. Additionally, Canopy Growth has built a hemp supply chain in the United States and holds the necessary licenses to cultivate and produce cannabis in Denmark.

Recent Developments

Restructuring Actions and Sale of British Columbia Production Facilities

In April 2020, Canopy Growth announced a series of global operational changes in order to optimize production, better align supply and demand and improve efficiencies. As part of the strategic review of the business, the Corporation planned to (i) exit its operations in South Africa and Lesotho; (ii) close certain Canadian production facilities; (iii) shift its strategy in Latin America; (iv) cease its hemp farming operations in Springfield, New York; and (v) rationalize certain marketing and research & development activities.

In December 2020, as part of the ongoing end-to-end strategic review of its operations, Canopy Growth announced a series of Canadian operational changes designed to streamline its operations and further improve gross margins. Canopy Growth has ceased operations at its sites in St. John’s, Newfoundland and Labrador; Fredericton, New Brunswick; Edmonton, Alberta; Bowmanville, Ontario; as well as its outdoor cannabis grow operations in Saskatchewan. As a result of these restructuring actions, Canopy Growth eliminated approximately 220 full-time positions. Additionally, Canopy Growth (i) completed the sale of its production facilities in Aldergrove and Delta, British Columbia in December 2020 and January 2021, respectively, for combined proceeds of approximately US\$40.7 million; and (ii) completed its strategy shift in Latin America that was commenced in the fourth quarter of fiscal 2020.

C\$245 Million Warrant Exercise

On May 1, 2020, Greenstar Canada Investment Limited Partnership (“**GCILP**”) exercised 18,876,901 Common Share purchase warrants at an exercise price of C\$12.9783 per Common Share for aggregate proceeds to Canopy Growth of approximately C\$245 million. GCILP is a wholly-owned subsidiary of CBI. As a result of the acquisition of 18,876,901 Common Shares upon

such exercise, CBI now indirectly holds, in the aggregate, 142,253,802 Common Shares, 139,745,453 Common Share purchase warrants and C\$200,000,000 principal amount of senior convertible notes.

Acreage Amended Arrangement

On June 24, 2020, Canopy Growth and Acreage entered into a proposal agreement (the “**Acreage Proposal Agreement**”) in order to, among other things, implement the Acreage Amended Arrangement. In September 2020, Acreage obtained the requisite approvals of the shareholders of Acreage and the Supreme Court of British Columbia and on September 23, 2020, Canopy Growth and Acreage entered into the Amending Agreement and implemented the Acreage Amended Arrangement. The Acreage Amended Arrangement provides for, among other things, the following:

- (a) a capital reorganization of Acreage (the “**Acreage Capital Reorganization**”), pursuant to which Acreage amended its Notice of Articles and Articles to, among other things, create the Acreage Fixed Shares (as defined below), the Acreage Floating Shares (as defined below) and the Acreage Fixed Multiple Shares (as defined below) and remove the existing Acreage Class A subordinated voting shares (the “**Acreage SVS**”), the existing Acreage Class B proportionate voting shares (the “**Acreage PVS**”) and the existing Acreage Class C multiple voting shares (the “**Acreage MVS**”). Pursuant to the Acreage Capital Reorganization (i) each outstanding Acreage SVS was exchanged for 0.7 of an Acreage Fixed Share and 0.3 of an Acreage Floating Share; (ii) each outstanding Acreage PVS was exchanged for 28 Acreage Fixed Shares and 12 Acreage Floating Shares; and (iii) each outstanding Acreage MVS was exchanged for 0.7 of an Acreage Fixed Multiple Share and 0.3 of an Acreage Floating Share;
- (b) the new Class E subordinated voting shares (the “**Acreage Fixed Shares**”) have the same attributes as the Acreage SVS and are listed on the Canadian Securities Exchange (the “**CSE**”). Following the occurrence or waiver (at the discretion of Canopy Growth) of the Triggering Event and subject to the satisfaction or waiver of the conditions set out in the Acreage Arrangement Agreement (as modified by the Amending Agreement), Canopy Growth will acquire all of the issued and outstanding Acreage Fixed Shares based on an amended exchange ratio equal to 0.3048 of a Common Share to be received for each Acreage Fixed Share held (reduced from 0.5818 per Acreage SVS pursuant to the Original Acreage Arrangement). The foregoing exchange ratio for the Acreage Fixed Shares is subject to adjustment in accordance with the Acreage Amended Arrangement if, among other things, Acreage issues greater than the permitted number of Acreage Fixed Shares;
- (c) the new Class D subordinated voting shares (the “**Acreage Floating Shares**”) are listed on the CSE. Upon the occurrence or waiver (at the discretion of Canopy Growth) of the Triggering Event and subject to the satisfaction or waiver of the conditions set out in the Acreage Arrangement Agreement (as modified by the Amending Agreement), Canopy Growth will have the right exercisable for a period of 30 days thereafter, to acquire all of the issued and outstanding Acreage Floating Shares for cash or Common Shares or a combination thereof, in Canopy Growth’s sole discretion, at a price equal to the 30-day volume weighted average trading price of the Acreage Floating Shares on the CSE, subject to a minimum call price of US\$6.41 per Acreage Floating Share. The foregoing exchange ratio for the Acreage Floating Shares is subject to adjustment in accordance with the Acreage Amended Arrangement if Acreage issues greater than the permitted number of Acreage Floating Shares. The acquisition of the Acreage Floating Shares, if acquired, will take place concurrently with the closing of the acquisition of the Acreage Fixed Shares;
- (d) the new Class F multiple voting shares (the “**Acreage Fixed Multiple Shares**”) have the same attributes as the Acreage MVS, provided that each Acreage Fixed Multiple Share entitles the holder thereof to 4,300 votes per Fixed Multiple Share at shareholder meetings of Acreage. Immediately prior to the acquisition of the Acreage Fixed Shares, each issued and outstanding Acreage Fixed Multiple Share will automatically be exchanged for one Acreage Fixed Share and thereafter be acquired by Canopy Growth upon the same terms and conditions as the acquisition of the Acreage Fixed Shares;
- (e) if the occurrence or waiver of the Triggering Event does not occur within 10 years from the date the Acreage Amended Arrangement was implemented (being September 23, 2030), Canopy Growth’s rights to acquire both the Acreage Fixed Shares and the Acreage Floating Shares will terminate;
- (f) upon implementation of the Acreage Amended Arrangement on September 23, 2020, Canopy Growth made a payment to certain securityholders of Acreage of approximately US\$37.5 million; and
- (g) Acreage is only permitted to issue an aggregate of up to 32,700,000 Acreage Fixed Shares and Acreage Floating Shares.

In connection with the Acreage Amended Arrangement, an affiliate of the Corporation advanced US\$50,000,000 to Universal Hemp, LLC, a wholly-owned subsidiary of Acreage (“**Acreage Hempco**”) on September 30, 2020 pursuant to a secured debenture (the “**Debenture**”). In accordance with the terms of the Debenture, the funds cannot be used, directly or indirectly, in connection with or for any cannabis or cannabis-related operations in the United States, unless and until such operations comply with all applicable laws of the United States. The Debenture bears interest at a rate of 6.1% per annum, matures 10 years from the implementation of the Acreage Amended Arrangement (being September 23, 2030) or such earlier date in accordance with the terms of the Debenture, and all interest payments made pursuant to the Debenture are payable in cash by Acreage Hempco. The Debenture is not convertible and is not guaranteed by Acreage.

Addition of Mr. Sabia to the Board of Directors

In January 2020, Jim Sabia was appointed as a member of the board of directors (the “**Board**”) of Canopy Growth, subject to completion of the standard Health Canada processes associated with his appointment to the Board. Pending completion of those processes, Mr. Sabia has acted as a Board observer. On September 4, 2020, Mr. Sabia received confirmation of security clearance from Health Canada and became a member of the Board.

Listing on NASDAQ

In November 2020, Canopy Growth, acting pursuant to authorization from its Board, determined to voluntarily withdraw the listing of the Common Shares from the New York Stock Exchange and transfer the listing to NASDAQ. Listing and trading of the Common Shares on NASDAQ commenced at market open on November 16, 2020.

Rivers Arrangement Agreement

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

Pursuant to the Rivers Arrangement, Canopy Growth increased its conditional ownership interest in TerrAscend Corp. (“**TerrAscend**”) through the acquisition of (i) 19,445,285 exchangeable shares in the capital of TerrAscend (the “**TerrAscend Exchangeable Shares**”) held by RCC; (ii) 2,225,714 common share purchase warrants in the capital of TerrAscend with an exercise price of C\$5.95 per share held by RCC; (iii) 333,723 common share purchase warrants in the capital of TerrAscend with an exercise price of C\$6.49 per share held by RCC; and (iv) an approximately C\$13.2 million loan receivable owing by TerrAscend Canada Inc. (“**TerrAscend Canada**”) to RCC. The securities in the capital of TerrAscend are not currently convertible or exercisable, and will not be convertible or exercisable until federal laws in the United States with respect to marijuana are amended. Pursuant to the Rivers Arrangement, Canopy Growth also acquired (i) all of the Class A preferred shares in the capital of Les Serres Vert Cannabis Inc. (“**Vert Mirabel**”) held by RCC; and (ii) 143 common shares in the capital of Vert Mirabel, thereby increasing Canopy Growth’s ownership of the common shares of Vert Mirabel to approximately 55%. In addition, all of the obligations of Tweed NB owing to RCC pursuant to a royalty agreement between the parties were terminated.

In addition, all of the shares of RIV Capital held by Canopy Growth were repurchased for cancellation on a cashless basis. Canopy Growth no longer has any equity, debt or other interest in RIV Capital following completion of the Rivers Arrangement. As additional consideration for the assets transferred and the termination of the royalty agreement with Tweed NB, Canopy Growth made a cash payment to RCC of approximately C\$115.0 million and issued 3,647,902 Common Shares to RCC.

TerrAscend Option Agreement

On January 13, 2021, Canopy Growth entered into an option agreement (the “**TerrAscend Option**”) to acquire 1,072,450 common shares of TerrAscend (the “**TerrAscend Shares**”) for approximately US\$10.5 million, conditional upon the occurrence or waiver of amendments to federal laws of the United States to permit the general cultivation, distribution and possession of marijuana or to remove the regulation of such activities from the federal laws of the United States.

As of the date of this Prospectus, Canopy Growth owns 38,890,570 TerrAscend Exchangeable Shares, an aggregate of 22,474,130 TerrAscend Share purchase warrants and is deemed to own an aggregate of 1,072,450 TerrAscend Shares that are

subject to the TerrAscend Option, representing 100% of the issued and outstanding TerrAscend Exchangeable Shares on a non-diluted basis and approximately 39.6% of the issued and outstanding TerrAscend Shares on a partially-diluted basis, assuming the conversion of the TerrAscend Exchangeable Shares into TerrAscend Shares and the exercise of the TerrAscend Share purchase warrants and the TerrAscend Option held by Canopy Growth. Canopy Growth beneficially owns, and exercises control or direction over approximately 20% of the issued and outstanding TerrAscend Shares on a fully-diluted basis.

COVID-19 Pandemic

Management has continued to closely monitor the impact of the COVID-19 global pandemic, with a focus on the health and safety of the Corporation's employees, business continuity and supporting its communities. The Corporation established a COVID-19 Management Committee shortly after the declaration of COVID-19 as a global pandemic and implemented various measures to reduce the spread of the virus. The Corporation has continued to operate under preventative measures and has experienced minimal disruption to its production and supply chain. As of the date of this Prospectus, all 33 of Canopy Growth's corporate-owned retail stores are open and offering click-and-collect and in-store shopping. Canopy Growth's Canadian medical business, which operates as an e-commerce channel, has continued largely unchanged. Canopy Growth's international medical business operates primarily as a pharmacy model, with pharmacies being deemed essential businesses in Germany and other European countries in which Canopy Growth conducts business. In addition, since Canopy Growth's non-production workforce continues to effectively work remotely using various technology tools, Canopy Growth is able to maintain its full operations and internal controls over financial reporting and disclosures.

Given the uncertainties associated with the COVID-19 pandemic, including those related to the use of Canopy Growth's products by consumers, disruptions to the global and local economies due to related stay-at-home orders, quarantine policies and restrictions on travel, trade and business operations and a reduction in discretionary consumer spending, the Corporation is unable to estimate the impact of the COVID-19 pandemic on its business, financial condition, results of operations, and/or cash flows. The uncertain nature of the impacts of the COVID-19 pandemic may continue to affect the Corporation's results of operations for the balance of fiscal 2021.

Canopy Growth believes it has sufficient liquidity available from cash and cash equivalents and short-term investments on hand of approximately C\$825.0 million and C\$768.6 million, respectively, as of December 31, 2020, and from available capacity under its revolving debt facility to enable Canopy Growth to meet its working capital and other operating requirements, fund growth initiatives and capital expenditures, settle its liabilities, and repay scheduled principal and interest payments on debt.

CONSOLIDATED CAPITALIZATION

There have been no material changes in the share and loan capital of the Corporation, on a consolidated basis, since December 31, 2020, the date of the Corporation's most recent interim financial.

The applicable Prospectus Supplement will describe any material change, and the effect of such material change, on the Corporation's share and loan capitalization that will result from the issuance of Securities pursuant to such Prospectus Supplement.

USE OF PROCEEDS

The net proceeds to Canopy Growth from any offering of Securities, the proposed use of those proceeds and the specific business objectives that the Corporation expects to accomplish with such proceeds will be set forth in the applicable Prospectus Supplement relating to that offering of Securities.

There may be circumstances where, on the basis of results obtained or for other sound business reasons, a re-allocation of funds may be necessary or prudent. Accordingly, management will have broad discretion in the application of the proceeds of an offering of Securities. The actual amount that the Corporation spends in connection with each intended use of proceeds may vary significantly from the amounts specified in the applicable Prospectus Supplement and will depend on a number of factors, including those referred to under "Risk Factors" and any other factors set forth in the applicable Prospectus Supplement. The Corporation may invest funds which it does not immediately use. Such investments may include short-term marketable investment grade securities. The Corporation may, from time to time, issue securities (including debt securities) other than pursuant to this Prospectus. See "Risk Factors".

During the fiscal year ended March 31, 2020 and the nine-month period ended December 31, 2020, the Corporation had negative cash flow from operating activities. To the extent that the Corporation has negative operating cash flows in future periods, the Corporation may need to deploy a portion of its existing working capital to fund such negative cash flow. As at December 31, 2020, the Corporation had cash and cash equivalents on hand of approximately C\$825.0 million and short-term investments of approximately C\$768.6 million.

PLAN OF DISTRIBUTION

The Corporation may, from time to time, during the 25-month period that the Prospectus remains valid, offer for sale and issue any of the Securities. The Corporation may issue and sell up to US\$2,000,000,000, in the aggregate, of Securities.

The Corporation may offer and sell the Securities on a continuous or delayed basis, separately or together: (a) to one or more underwriters or dealers; (b) through one or more agents; or (c) directly to one or more other purchasers. The Securities offered pursuant to any Prospectus Supplement may be sold from time to time in one or more transactions at: (i) a fixed price or prices, which may be changed from time to time; (ii) market prices prevailing at the time of sale; (iii) prices related to such prevailing market prices; or (iv) other negotiated prices, including in transactions that are deemed to be “at-the-market distributions” as defined in NI 44-102, including sales made directly on the TSX, NASDAQ or other existing trading markets for the Securities.

A description of such price will be disclosed in the applicable Prospectus Supplement. The prices at which the Securities may be offered may vary as between purchaser and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a bona fide effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters to the Corporation. The Corporation will obtain any requisite exemptive relief prior to conducting “at-the-market distributions”.

Each Prospectus Supplement will set forth the terms of the offering, including the type of Security being offered, the name or names of any underwriters, dealers or agents, the purchase price of such Securities, the proceeds to the Corporation from such sale, any underwriting commissions or discounts and other items constituting underwriters’ compensation and any discounts or concessions allowed or re-allowed or paid to dealers. Only underwriters so named in the Prospectus Supplement are deemed to be underwriters in connection with the Securities offered thereby.

By Underwriters

If underwriters are used in the sale of Securities under this Prospectus and any Prospectus Supplement, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. Unless otherwise set forth in the Prospectus Supplement relating thereto, the obligations of underwriters to purchase the Securities will be subject to certain conditions, but the underwriters will be obligated to purchase all of the Securities offered by the Prospectus Supplement if any of such Securities are purchased. The Corporation may agree to pay the underwriters a fee or commission for various services relating to the offering of any Securities. Any such fee or commission will be paid out of the proceeds of the offering or the general corporate funds of the Corporation.

By Dealers

If dealers are used, and if so specified in the applicable Prospectus Supplement, the Corporation will sell such Securities to the dealers as principals. The dealers may then resell such Securities to the public at varying prices to be determined by such dealers at the time of resale. Any public offering price and any discounts or concessions allowed or re-allowed or paid to dealers may be changed from time to time.

By Agents

The Securities may also be sold through agents designated by the Corporation. Any agent involved will be named, and any fees or commissions payable by the Corporation to such agent will be set forth, in the applicable Prospectus Supplement. Any such fees or commissions will be paid out of the proceeds of the offering or the general corporate funds of the Corporation. Unless otherwise indicated in the Prospectus Supplement, any agent will be acting on a best efforts basis for the period of its appointment.

Direct Sales

Securities may also be sold directly by the Corporation at such prices and upon such terms as agreed to by the Corporation and the purchaser. In this case, no underwriters, dealers or agents would be involved in the offering.

General Information

Underwriters, dealers and agents that participate in the distribution of the Securities offered by this Prospectus may be deemed underwriters under the U.S. Securities Act, and any discounts or commissions they receive from the Corporation and any profit on their resale of the securities may be treated as underwriting discounts and commissions under the U.S. Securities Act.

Underwriters, dealers or agents who participate in the distribution of Securities may be entitled under agreements to be entered into with the Corporation to indemnification by the Corporation against certain liabilities, including liabilities under Canadian provincial and territorial and United States securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers or agents may be customers of, engage in transactions with, or perform services for, the Corporation in the ordinary course of business.

The Corporation may enter into derivative transactions with third parties, or sell securities not covered by this Prospectus to third parties in privately negotiated transactions. If the applicable Prospectus Supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this Prospectus and the applicable Prospectus Supplement, including in short sale transactions. If so, the third parties may use securities pledged by the Corporation or borrowed from the Corporation or others to settle those sales or to close out any related open borrowings of securities and may use securities received from the Corporation in settlement of those derivatives to close out any related open borrowings of securities. The third parties in such sale transactions will be identified in the applicable Prospectus Supplement.

One or more firms, referred to as “remarketing firms,” may also offer or sell the Securities, if the Prospectus Supplement so indicates, in connection with a remarketing arrangement upon their purchase. Remarketing firms will act as principals for their own accounts or as agents for the Corporation. These remarketing firms will offer or sell the Securities in accordance with the terms of the Securities. The Prospectus Supplement will identify any remarketing firm and the terms of its agreement, if any, with the Corporation and will describe the remarketing firm’s compensation. Remarketing firms may be deemed to be underwriters in connection with the Securities they remarket.

In connection with any offering of Securities (unless otherwise specified in the Prospectus Supplement), the underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions may be commenced, interrupted or discontinued at any time.

Agents, underwriters or dealers may make sales of Securities in privately negotiated transactions and/or any other method permitted by law, including sales deemed to be an “at-the-market distribution” as defined in NI 44-102 and subject to limitations imposed by and the terms of any regulatory approvals required and obtained under, applicable Canadian securities laws which includes sales made directly on an existing trading market for the Common Shares, or sales made to or through a market maker other than on a securities exchange. In connection with any offering of Securities, except with respect to “at-the-market distributions”, underwriters may over-allot or effect transactions which stabilize or maintain the market price of the offered Securities at a level above that which might otherwise prevail in the open market. Such transactions may be commenced, interrupted or discontinued at any time. No underwriter or dealer involved in an “at-the-market distribution”, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer will over-allot Securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities.

The Corporation may authorize agents or underwriters to solicit offers by eligible institutions to purchase Securities at the public offering price set forth in the applicable Prospectus Supplement under delayed delivery contracts providing for payment and delivery on a specified date in the future. The conditions to these contracts and the commissions payable for solicitation of these contracts will be set forth in the applicable Prospectus Supplement.

Each class of Securities, other than the Common Shares, will be a new issue of Securities with no established trading market. Subject to applicable laws, any underwriter may make a market in such Securities, but will not be obligated to do so and may discontinue any market making at any time without notice. There may be limited liquidity in the trading market for any such Securities.

Unless otherwise specified in the applicable Prospectus Supplement, the Corporation does not intend to list any of the Securities other than the Common Shares on any securities exchange. Consequently, unless otherwise specified in the applicable Prospectus Supplement, there is no market through which the Subscription Receipts, Units and Warrants may be sold and purchasers may not be able to resell any such Securities purchased under this Prospectus. This may affect the pricing of the Subscription Receipts, Units and Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities and the extent of issuer regulation. No assurances can be given that a market for trading in Securities of any series or issues will develop or as to the liquidity of any such market, whether or not the Securities are listed on a securities exchange.

Participation Rights and Registration Rights

The Corporation is party to a second amended and restated investor rights agreement (the “**Investor Rights Agreement**”) with GCILP and CBG Holdings LLC (collectively, the “**CBG Group**”) dated April 18, 2019. The Investor Rights Agreement provides that the CBG Group will be entitled to certain pre-emptive and top-up rights in connection with the issuance of further securities by Canopy Growth so as to permit the CBG Group to maintain its percentage in the issued and outstanding Common Shares and the Original Percentage or the Percentage of Outstanding Common Shares (each as defined in the Investor Rights Agreement), as the case may be, for so long as the CBG Group holds the Target Number of Shares (as defined in the Investor Rights Agreement) and the Investor Rights Agreement has not been terminated.

In addition, to the pre-emptive and top-up rights, the Investor Rights Agreement provides the CBG Group with certain rights to require Canopy Growth to qualify for distribution in Canada or the United States under a prospectus (or the equivalent document in jurisdictions outside of Canada) the sale of Common Shares by the CBG Group and/or its affiliates or designees during the term of the Investor Rights Agreement.

SELLING SECURITYHOLDERS

Securities may be sold under this Prospectus by way of secondary offering by or for the account of certain of the Corporation’s securityholders. Any Prospectus Supplement filed in connection with an offering of Securities by selling securityholders will include the following information: (i) the names of the selling securityholders; (ii) the number or amount of Securities owned, controlled or directed of the class being distributed by each selling securityholder; (iii) the number or amount of Securities of the class being distributed for the account of each selling securityholder; (iv) the number or amount of Securities of any class to be owned, controlled or directed by the selling securityholders after the distribution and the percentage that number or amount represents of the total number of the Corporation’s outstanding Securities; (v) whether the Securities are owned by the selling securityholders both of record and beneficially, of record only, or beneficially only; (vi) where applicable, the disclosure required by Form 44-101F1 of NI 44-101, and selling securityholders will file a non-issuer’s submission to jurisdiction form with the applicable Prospectus Supplement; and (vii) all other information that is required to be included in the applicable Prospectus Supplement.

DESCRIPTION OF SECURITIES

Common Shares

The authorized share capital of the Corporation consists of an unlimited number of Common Shares. As of the close of business on the date prior to the date of this Prospectus, there were an aggregate of 378,475,920 Common Shares issued and outstanding. The Common Shares may be offered separately or together with other Securities, as the case may be.

Holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Corporation, to attend and to cast one vote per Common Share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Corporation’s Board of Directors at its discretion from funds legally available therefor and upon the liquidation, dissolution or winding up of the Corporation, are entitled to receive on a pro rata basis the net assets of the Corporation after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions. The Common Shares do not carry any provisions permitting or restricting the issuance of additional securities or other material restrictions, nor do they contain any provisions requiring a securityholder to contribute additional capital.

Subscription Receipts

The following description sets forth certain general terms and provisions of Subscription Receipts that may be issued hereunder and is not intended to be complete. Subscription Receipts may be issued at various times which will entitle holders thereof to receive, upon satisfaction of certain release conditions and for no additional consideration, Common Shares, Warrants, Units or any combination thereof. The Subscription Receipts may be offered separately or together with other Securities, as the case may be. Subscription Receipts will be issued pursuant to one or more subscription receipt agreements (each, a “**Subscription Receipt Agreement**”), each to be entered into between the Corporation and an escrow agent (the “**Escrow Agent**”) that will be named in the relevant Prospectus Supplement. Each Escrow Agent will be a financial institution organized under the laws of Canada or a province thereof and authorized to carry on business as a trustee. If underwriters or agents are used in the sale of any Subscription Receipts, one or more of such underwriters or agents may also be a party to the Subscription Receipt Agreement governing the Subscription Receipts sold to or through such underwriter or agent.

The statements made in this Prospectus relating to any Subscription Receipt Agreement and Subscription Receipts to be issued under this Prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the provisions of the applicable Subscription Receipt Agreement. You should refer to the Subscription Receipt Agreement relating to the specific Subscription Receipts being offered for the complete terms of the Subscription Receipts. A copy of any Subscription Receipt Agreement relating to an offering of Subscription Receipts will be filed by the Corporation with the securities regulatory authorities in applicable Canadian offering jurisdictions and the United States after the Corporation has entered into it.

The particular terms of each issue of Subscription Receipts will be described in the related Prospectus Supplement. This description may include, but may not be limited to, any of the following, if applicable:

- the designation and aggregate number of such Subscription Receipts being offered;
- the price at which such Subscription Receipts will be offered;
- the designation, number and terms of the Common Shares, Warrants, Units or any combination thereof to be received by the holders of such Subscription Receipts upon satisfaction of the release conditions, and any procedures that will result in the adjustment of those numbers;
- the conditions (the “Release Conditions”) that must be met in order for holders of such Subscription Receipts to receive, for no additional consideration, Common Shares, Warrants, Units or any combination thereof;
- the procedures for the issuance and delivery of the Common Shares, Warrants, Units or any combination thereof to holders of such Subscription Receipts upon satisfaction of the Release Conditions;
- whether any payments will be made to holders of such Subscription Receipts upon delivery of the Common Shares, Warrants, Units or any combination thereof upon satisfaction of the Release Conditions;
- the identity of the Escrow Agent;
- the terms and conditions under which the Escrow Agent will hold all or a portion of the gross proceeds from the sale of such Subscription Receipts, together with interest and income earned thereon (collectively, the “Escrowed Funds”), pending satisfaction of the Release Conditions;
- the terms and conditions under which the Escrow Agent will release all or a portion of the Escrowed Funds to the Corporation upon satisfaction of the Release Conditions and if the Subscription Receipts are sold to or through underwriters or agents, the terms and conditions under which the Escrow Agent will release a portion of the Escrowed Funds to such underwriters or agents in payment of all or a portion of their fees or commissions in connection with the sale of the Subscription Receipts;
- procedures for the refund by the Escrow Agent to holders of such Subscription Receipts of all or a portion of the subscription price of their Subscription Receipts, plus any pro rata entitlement to interest earned or income generated on such amount, if the Release Conditions are not satisfied;
- any contractual right of rescission to be granted to initial purchasers of such Subscription Receipts in the event that this

Prospectus, the Prospectus Supplement under which Subscription Receipts are issued or any amendment hereto or thereto contains a misrepresentation;

- any entitlement of the Corporation to purchase such Subscription Receipts in the open market by private agreement or otherwise;
- if the Subscription Receipts are issued as a Unit with another Security, the date, if any, on and after which the Subscription Receipts and the other Security will be separately transferable;
- whether the Corporation will issue such Subscription Receipts as global securities and, if so, the identity of the depository for the global securities;
- whether the Corporation will issue such Subscription Receipts as bearer securities, as registered securities or both;
- provisions as to modification, amendment or variation of the Subscription Receipt Agreement or any rights or terms of such Subscription Receipts, including upon any subdivision, consolidation, reclassification or other material change of the Common Shares, Warrants, Units or other securities, any other reorganization, amalgamation, merger or sale of all or substantially all of the Corporation's assets or any distribution of property or rights to all or substantially all of the holders of Common Shares;
- whether the Corporation will apply to list such Subscription Receipts on any exchange;
- the material United States and Canadian federal income tax consequences of owning the Subscription Receipts; and
- any other material terms or conditions of such Subscription Receipts.

Rights of Holders of Subscription Receipts Prior to Satisfaction of Release Conditions

The holders of Subscription Receipts will not be, and will not have the rights of, shareholders of the Corporation. Holders of Subscription Receipts are entitled only to receive Common Shares, Warrants, Units or a combination thereof on exchange or conversion of their Subscription Receipts, plus any cash payments, all as provided for under the Subscription Receipt Agreement and only once the Release Conditions have been satisfied.

Escrow

The Subscription Receipt Agreement will provide that the Escrowed Funds will be held in escrow by the Escrow Agent, and such Escrowed Funds will be released to the Corporation (and, if the Subscription Receipts are sold to or through underwriters or agents, a portion of the Escrowed Funds may be released to such underwriters or agents in payment of all or a portion of their fees in connection with the sale of the Subscription Receipts) at the time and under the terms specified by the Subscription Receipt Agreement. If the Release Conditions are not satisfied, holders of Subscription Receipts will receive a refund of all or a portion of the subscription price for their Subscription Receipts, plus their pro-rata entitlement to interest earned or income generated on such amount, if provided for in the Subscription Receipt Agreement, in accordance with the terms of the Subscription Receipt Agreement.

Modifications

The Subscription Receipt Agreement will specify the terms upon which modifications and alterations to the Subscription Receipts issued thereunder may be made by way of a resolution of holders of Subscription Receipts at a meeting of such holders or consent in writing from such holders. The number of holders of Subscription Receipts required to pass such a resolution or execute such a written consent will be specified in the Subscription Receipt Agreement.

The Subscription Receipt Agreement will also specify that the Corporation may amend the Subscription Receipt Agreement and the Subscription Receipts, without the consent of the holders of the Subscription Receipts, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of the holder of outstanding Subscription Receipts or as otherwise specified in the Subscription Receipt Agreement.

Units

The following description sets forth certain general terms and provisions of the Units that may be issued hereunder and is not intended to be complete. Units may be issued at various times comprising any combination of the other Securities described in this Prospectus. Each Unit will be issued so that the holder of such Unit is also the holder of each Security comprising such Unit. Therefore, the holder of a Unit will have the rights and obligations of a holder of each included Security (except in some cases where the right to transfer an included Security of a Unit may not occur without the transfer of the other included Security comprising part of such Unit). The Units may be offered separately or together with other Securities, as the case may be.

The particular terms of each issue of Units will be described in the related Prospectus Supplement. This description may include, but may not be limited to, any of the following, if applicable:

- the designation and aggregate number of Units;
- the price at which the Units will be offered;
- the designation and terms of the Units and the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately;
- any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units;
- whether the Corporation will apply to list the Units on any exchange;
- the material United States and Canadian federal income tax consequences of owning the Units, including how the purchase price paid will be allocated among the Securities comprising the Units; and
- whether the Units will be issued in fully registered or global form.

Warrants

The following description sets forth certain general terms and provisions of Warrants for the purchase of Common Shares or Units that may be issued hereunder and is not intended to be complete. The Warrants may be offered separately or together with other Securities, as the case may be. Warrants may be issued at various times under one or more warrant indenture to be entered into by the Corporation and one or more banks or trust companies acting as warrant agent.

The statements made in this Prospectus relating to any warrant indenture and Warrants to be issued under this Prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the provisions of the applicable warrant indenture. You should refer to the warrant indenture relating to the specific Warrants being offered for the complete terms of the Warrants. A copy of any warrant indenture relating to an offering of Warrants will be filed by the Corporation with the securities regulatory authorities in applicable Canadian offering jurisdictions and the United States after the Corporation has entered into it.

The particular terms of each issue of Warrants will be described in the related Prospectus Supplement. This description may include, but may not be limited to, any of the following, if applicable:

- the designation and aggregate number of Warrants;
- the price at which the Warrants will be offered;
- the designation, number and terms of the Common Shares or Units, as applicable, purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers;
- the date on which the right to exercise the Warrants will commence and the date on which such right will expire;
- the exercise price of the Warrants;

- if the Warrants are issued as a Unit with another Security, the date, if any, on and after which the Warrants and the other Security will be separately transferable;
- any minimum or maximum amount of Warrants that may be exercised at any one time;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- whether the Warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions;
- provisions as to modification, amendment or variation of the warrant indenture or any rights or terms of such Warrants, including upon any subdivision, consolidation, reclassification or other material change of the Common Shares, Units or other securities, any other reorganization, amalgamation, merger or sale of all or substantially all of the Corporation's assets or any distribution of property or rights to all or substantially all of the holders of Common Shares;
- the material United States and Canadian federal income tax consequences of owning the Warrants; and
- any other material terms or conditions of the Warrants.

Warrant certificates will be exchangeable for new Warrant certificates of different denominations at the office indicated in the Prospectus Supplement. Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the securities subject to the Warrants. The Corporation may amend the warrant indenture(s) and the Warrants, without the consent of the holders of the Warrants, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision or in any other manner that will not prejudice the rights of the holders of outstanding Warrants, as a group.

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement may describe certain Canadian federal income tax consequences to an investor who is a non-resident of Canada or to an investor who is a resident of Canada of acquiring, owning and disposing of any of the Securities offered thereunder. The applicable Prospectus Supplement may also describe certain U.S. federal income tax consequences of the acquisition, ownership and disposition of any of the Securities offered thereunder by an initial investor who is a U.S. person (within the meaning of the U.S. Internal Revenue Code of 1986). Investors should read the tax discussion in any Prospectus Supplement with respect to a particular offering and consult their own tax advisors with respect to their own particular circumstances.

PRIOR SALES

Information in respect of the Common Shares that were issued within the previous twelve month period, Common Shares that were issued upon the exercise of options or upon the vesting of restricted share units or performance share units and in respect of the grant of options, restricted share units or performance share units to acquire Common Shares, will be provided as required in a Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

MARKET FOR SECURITIES

The Common Shares are listed and posted for trading on the TSX in Canada under the symbol "WEED" and are listed on NASDAQ in the United States under the symbol "CGC". Trading price and volume of the Common Shares will be provided as required in each Prospectus Supplement to the Prospectus.

RISK FACTORS

An investment in Securities of the Corporation is subject to certain risks, which should be carefully considered by prospective investors before purchasing such Securities. In addition to the other information set out or incorporated by reference in this Prospectus currently, and from time to time, investors should carefully consider the risk factors incorporated by reference in this Prospectus and referred to below. Any one of such risk factors could materially affect the Corporation's business, financial condition and/or future operating results and prospects and could cause actual events to differ materially from those described in forward-looking statements and information relating to the Corporation. Additional risks and uncertainties not currently identified by the Corporation or that the Corporation currently believes not to be material also may materially and adversely affect the Corporation's business, financial condition, operations or prospects. Investors should carefully consider the risks described under the heading "Risk Factors" in the Annual Report on Form 10-K of the Corporation, as filed with the SEC on

June 1, 2020 (together with any material changes thereto contained in subsequently filed Quarterly Reports on Form 10-Q) and those contained in the Corporation's other filings that are incorporated by reference in this Prospectus and any accompanying Prospectus Supplement. See "Documents Incorporated by Reference".

Risks Related to an Offering of Securities

No Assurance of Active or Liquid Market

No assurance can be given that an active or liquid trading market for the Common Shares will be sustained. If an active or liquid market for the Common Shares fails to be sustained, the prices at which the Common Shares and other Securities trade may be adversely affected. Whether the Common Shares will trade at lower prices depends on many factors, including the liquidity of the Common Shares, prevailing interest rates, the markets for similar securities, general economic conditions, the Corporation's financial condition, historic financial performance and future prospects.

There is currently no market through which the Securities (other than the Common Shares) may be sold and purchasers may not be able to resell such Securities. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities and the extent of issuer regulation.

Public Markets and Share Prices

The market price of the Common Shares and any other Securities offered hereunder that become listed and posted for trading on the TSX, NASDAQ or any other stock exchange could be subject to significant fluctuations in response to certain factors including, but not limited to, variations in the Corporation's operating results and changes in financial markets and general market conditions, including those caused by COVID-19. Securities markets have also experienced significant price and volume fluctuations from time to time. In some instances, these fluctuations have been unrelated or disproportionate to the operating performance of issuers. Market fluctuations may adversely impact the market price of the Common Shares and any other Securities offered hereunder that become listed and posted for trading on the TSX, NASDAQ or any other stock exchange. There can be no assurance of the price at which the Common Shares and any other Securities offered hereunder that become listed and posted for trading on the TSX, NASDAQ or any other stock exchange will trade.

Additional Issuances and Dilution

The Corporation may issue and sell additional securities to finance its operations. The Corporation cannot predict the size or type of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the Corporation's issued and outstanding securities from time to time. Sales or issuances of substantial amounts of the Corporation's securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Corporation's issued and outstanding securities from time to time. With any additional sale or issuance of the Corporation's securities, holders will suffer dilution with respect to voting power and may experience dilution in the Corporation's earnings per share. Moreover, this Prospectus may create a perceived risk of dilution resulting in downward pressure on the price of the issued and outstanding Common Shares, which could contribute to progressive declines in the prices of such securities.

Broad Discretion in the Use of the Net Proceeds

The Corporation's management will have broad discretion with respect to the application of net proceeds received by the Corporation from the sale of Securities under this Prospectus and may spend such proceeds in ways that do not improve the Corporation's results of operations or enhance the value of the Common Shares or the Corporation's other issued and outstanding securities from time to time. Any failure by management to apply these funds effectively could result in financial losses that could have a material adverse effect on the Corporation's business or cause the price of the Corporation's issued and outstanding securities to decline.

History of Negative Cash Flow

The Corporation has a history of negative cash flow from operating activities. To the extent that the Corporation has negative cash flow in future periods, the Corporation may need to allocate a portion of the net proceeds received from the sale of Securities hereunder or other financings to fund such negative cash flow. There can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms at least as favourable to the Corporation as those previously obtained, or available to the Corporation or at all.

Risk of Infectious Diseases

The outbreak of the novel coronavirus, or COVID-19, which has been declared by the World Health Organization (“WHO”) to be a “pandemic”, has spread across the globe and is impacting worldwide economic activity. COVID-19 has severely restricted the level of economic activity around the world and in all countries in which the Corporation or its affiliates operate. For instance, economic activity in Alberta, one of the Corporation’s key markets, has significantly declined due to the reduction in oil prices, a key component of the Alberta economy, which has led to less discretionary consumer spending and lower spending on cannabis products. A public health epidemic, including COVID-19, or the fear of a potential pandemic, poses the risk that the Corporation or its employees, contractors, suppliers, and other partners may be prevented from conducting business activities for an indefinite period of time, and the Corporation’s customers may be prevented from purchasing its products, due to shutdowns, “stay at home” mandates or other preventative measures that may be requested or mandated by governmental authorities. The governments of many countries, states, cities and other geographic regions have taken such preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes. Temporary closures of businesses have been ordered and numerous other businesses have temporarily closed voluntarily. Such actions are creating disruption in global supply chains, increasing rates of unemployment and adversely impacting many industries. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. Since a substantial portion of the Corporation’s products not deemed to be necessities by the Corporation’s customers, customers’ employment status and the amount of customers’ discretionary spending and actual or perceived wealth can significantly impact the Corporation’s results of operations. As a result, all of the above-described factors (and other political and economic factors) can have a material and adverse effect on spending patterns of the Corporation’s customers and on the Corporation’s business, financial condition and results of operations.

The effect of COVID-19 could include additional closures of the Corporation’s facilities or the facilities of the Corporation’s suppliers and other vendors in the Corporation’s supply chain and other preventive and protective measures in the Corporation’s supply chain. If the pandemic persists, closures or other restrictions on the conduct of business operations of the Corporation’s third-party manufacturers, suppliers or vendors could further disrupt the Corporation’s supply chain. While the Corporation has not yet experienced delays in shipping, the increased global demand on shipping and transport services may cause it to experience delays in the future, which could impact the Corporation’s ability to obtain materials or deliver its products in a timely manner. These factors could otherwise disrupt the Corporation’s operations and could have an adverse effect on its business, financial condition and results of operations. In various jurisdictions in Canada, cannabis retailers have been restricted to conducting sales via curbside pickup and online delivery or are reducing opening hours, staff onsite and reducing the number of customers allowed in-store for cannabis retailers that continue to be open.

Retailers of the Corporation’s products in Canada and the United States have in some cases been determined to be, and may in other cases be deemed in the future, non-essential and be required to close or choose to suspend or significantly curtail their operations due to health and safety concerns for their employees. Further, those retail operations that the Corporation has been able to reopen may be closed in the future in the event that governments reinstitute closures for public health reasons. Even if the Corporation’s production facilities remain open, mandatory or voluntary self-quarantines and travel restrictions may limit employees’ ability to get to the Corporation’s facilities, and this, together with impacts on supply chain and the uncertainty produced by the rapidly evolving nature of COVID-19, may result in reduced or suspended production. Those types of restrictions could also impact the abilities of customers in certain Canadian jurisdictions or the United States to continue to have access to the Corporation’s products. Quarantines, shelter-in-place and similar government orders, or the perception that such orders, shutdowns or other restrictions on the conduct of business operations could occur, could impact personnel at third-party manufacturing facilities in Canada and the United States and other countries, or the availability or cost of materials, which would disrupt the Corporation’s supply chain, in particular in relation to the supply of masks, gowns and other protective equipment used at the Corporation’s facilities due to the global shortage of such protective equipment and materials.

As a result of COVID-19, the Corporation has implemented work-from-home policies for certain employees and the effects of the work-from-home policies may negatively impact productivity, disrupt access to books and records, increase cybersecurity risks and disrupt the Corporation’s business, and the Corporation does not yet know when it will be able to return to the office. In addition, the effects of COVID-19 may delay the Corporation’s research and development programs and the Corporation’s ability to execute on certain of its strategic plans involving construction. So long as measures to combat COVID-19 stay in effect, the Corporation expects COVID-19 to negatively affect its results of operations. The global impact of COVID-19 continues to evolve rapidly, and the extent of its effect on the Corporation’s operational and financial performance will depend on future developments, which are highly uncertain, including the duration, scope and severity of the pandemic, the actions taken to contain or mitigate its impact, and the direct and indirect economic effects of the pandemic and related containment measures, among others.

Any positive impacts from preventive measures, vaccines or treatments for COVID-19 may be not be realized due to mutations in the COVID-19 virus, adverse side effects, difficulties in implementation or distribution or other factors, so there can be no assurance that such preventive measures, vaccines or treatments will have a material impact on the Corporation's business, financial condition or results of operations. Furthermore, any "second wave" or mutated strains of COVID or the spread of other pathogens could also exacerbate the risks described in this risk factor.

Even after the pandemic subsides, the Corporation's businesses could also be negatively impacted should the effects of COVID-19 lead to changes in consumer behavior, including as a result of a decline in discretionary spending. During the past year, financial conditions for the cannabis industry have faced increased volatility. Moreover, future events could cause global financial conditions to suddenly and rapidly destabilize, and governmental authorities may have limited resources to respond to such future crises. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability, changes to energy prices or sovereign defaults. Any sudden or rapid destabilization of global economic conditions could negatively impact the Corporation's ability to obtain equity or debt financing or make other suitable arrangements to finance its projects. If increased levels of volatility continue, there is a rapid destabilization of global economic conditions or a prolonged recession resulting from the pandemic, it would likely materially affect the Corporation's business and the value of the Common Shares.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada at its principal offices in Toronto, Ontario.

INTERESTS OF EXPERTS

KPMG LLP is the auditor of Canopy Growth and is independent with respect to Canopy Growth within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation. Further, we are an independent registered public accounting firm with respect to Canopy Growth within the meaning of the U.S. Securities Act and the applicable rules and regulations thereunder adopted by the SEC and the Public Company Accounting Oversight Board (United States).

LEGAL MATTERS

Certain legal matters in connection with any offering under the Prospectus will be passed upon on behalf of the Corporation by Cassels Brock & Blackwell LLP, as to Canadian legal matters, and Paul, Weiss, Rifkind, Wharton & Garrison LLP, as to United States legal matters. As of the date hereof, the partners and associates of Cassels Brock & Blackwell and Paul, Weiss, Rifkind, Wharton & Garrison LLP, each as a group, own, directly or indirectly, less than 1% of the Common Shares.

EXEMPTION FROM NI 44-101

Pursuant to a decision of the Autorité des marchés financiers dated February 15, 2021, the Corporation was granted exemptive relief from the requirement that this Prospectus as well as the documents incorporated by reference herein and any Prospectus Supplement and the documents incorporated by reference therein to be filed in relation to an "at-the-market distribution" be publicly filed in both the French and English languages. This exemptive relief is granted on the condition that this Prospectus, any Prospectus Supplement (other than in relation to an "at-the-market distribution") and the documents incorporated by reference herein and therein be publicly filed in both the French and English languages if the Corporation offers Securities to Quebec purchasers in connection with an offering other than in relation to an "at-the-market distribution".

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any supplement or amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

Original purchasers of Securities which are convertible, exchangeable or exercisable for other securities of the Corporation,

including Subscription Receipts and Warrants if offered separately, will have a contractual right of rescission against the Corporation in respect of the conversion, exchange or exercise of such Securities. The contractual right of rescission will entitle such original purchasers to receive the original amount paid for such Securities and any additional amount paid upon conversion, exchange or exercise, upon surrender of the underlying securities gained thereby, in the event that this Prospectus, the relevant Prospectus Supplement or an amendment thereto contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario) and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law.

In an offering of Subscription Receipts, Warrants, or other convertible securities, original purchasers are cautioned that the statutory right of action for damages for a misrepresentation contained in the Prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the Subscription Receipts, Warrants, or other convertible securities, are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of such securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

CERTIFICATE OF THE CORPORATION

Dated: February 23, 2021

This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

(Signed) DAVID KLEIN
Chief Executive Officer

(Signed) MICHAEL LEE
Executive Vice President and Chief Financial Officer

On behalf of the Board of Directors

(Signed) DAVID LAZZARATO
Director

(Signed) JUDY SCHMELING
Director