



Chalice Brands Ltd. Pre-announces Third Quarter 2021 Results With Record Revenue of \$8.0M

PORTLAND, Ore., Oct. 06, 2021 (GLOBE NEWSWIRE) -- Chalice Brands Ltd. (CSE: CHAL) (OTCQB: CHALF) ("Chalice" or the "Company"), a premier consumer-driven cannabis company specializing in retail, production, processing, wholesale, and distribution, today pre-announces its financial and operating results for the third quarter 2021. All amounts stated are in US Dollars unless otherwise noted.

Third Quarter Preliminary Unaudited Financial Highlights:

- Record quarterly revenues of \$8.0 million, a 31% year-over-year increase compared to \$6.1 million for the same period in 2020. This total reflects a full quarter of revenues from the Company's Homegrown Oregon stores but only \$0.1 million of revenues related to Cannabliss.
- Estimated gross profit margin for the second quarter 2021 of \$3.7M or 46% gross margin compared to \$2.1M or 34% in 2020. Gross margin improvements are due to continued growth in sales of vertical products manufactured by Chalice and increased third party processing revenues.

"I am proud of our team's performance as we continue our year-over-year revenue growth in the third quarter," said Jeff Yapp, Chief Executive Officer and President. "By maintaining our focus on profitable operations and the accretive acquisition of Homegrown Oregon, the Company has immediately impacted the vertical contribution within the new stores ahead of schedule. The Chalice team is energized by our strategic mission to capitalize on untapped opportunities in Oregon and other states with significant room for consolidation, synergies, and vertical leverage."

The Company will provide its full third quarter financial report at the next earnings call, to be announced at a later date.

About Chalice Brands Ltd.

Chalice Brands is a premier consumer-driven cannabis company specializing in production, processing, wholesale, distribution and retail, with twelve dispensaries owned and four dispensaries under management in Oregon. The Company is committed to developing a dynamic portfolio built around the recognized brands of Chalice Farms, with a focus on health and wellness. Chalice operates nationally through Fifth & Root and has operations in Oregon and California.

Visit investors.chalicebrandsltd.com for regular updates.

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